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TODAY: SPORTS Lance one stage today, Page 20



Darko Vojinovic/The Associated Press

U.S. soldiers checking a Muslim woman for weapons near Brcko in northern Bosnia on Sunday as thousands of refugees returned to their former hometowns to vote in municipal elections over the weekend.

Under Heavy Guard, Bosnians Vote

By Chris Hedges
New York Times Service

SARAJEVO, Bosnia-Herzegovina — Escorted by North Atlantic Treaty Organization troops in armored vehicles, buses rolled out of Sarajevo. They were taking Bosnian Muslims for a few emotional moments to villages in which they lived before the war, where they cast ballots and were then hustled away.

In municipal elections Saturday and Sunday, seen as a vital part of the Dayton peace accord, people across Bosnia voted in their prewar towns, many returning for the first time to places they were expelled from in the bitter conflict among Muslims, Serbs and Croats.

In towns like Srebrenica, where several thousand Muslim men were massacred in the summer of 1995 by Bosnian Serb troops, Muslim officials will probably be elected to office, although no Muslims now live in the area.

And in Drvar, Glamoc and Bosanko Grahovo, near Bosnia's western border with Croatia, representatives of the prewar Serbian majority also were set to be elected to power, although most of the Serbs have been expelled.

Communities that do not accept the election results, which are not expected before Sept. 20, will have sanctions imposed on them, international officials say.

But the elections, which were postponed twice, appeared unlikely to alter Bosnia's partition into three antag-

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Euro Calendar Advanced

Definitive Exchange Rates to Be Set in Spring

By Barry James
International Herald Tribune

MONDORF-LES-BAINS, Luxembourg — European central banks will advance by at least seven months the date on which they set the conversion rates for countries selected to join a European monetary union, sending the strongest signal yet of their commitment to the introduction of a single European currency.

The conversion rates will express the value at which the national currencies will enter the union. These currencies will become part of the same money and will be subject to the independent European central bank. The rates will therefore not be changed after they are established.

Finance ministers and central bankers meeting here decided Saturday that the rates would be set when the list of countries meeting the entry conditions is announced next spring, rather than waiting for the start of actual monetary union Jan. 1, 1999, as originally planned. Countries will be selected on the basis of how they meet a set of economic targets this year, including control of public debt and deficits.

The officials said the decision was intended to reduce speculation and uncertainty during the period when the member countries were chosen in April or May and during the introduction of the single currency at the beginning of the following year.

Meeting in this elegant spa town, the officials discussed some of the technical problems that will be caused by the introduction of a single currency, such as the relationship between countries sharing a single currency and those outside the monetary club.

The businesslike approach was itself an indication of the shift in focus within the EU, which until now has been preoccupied with political questions of whether the single currency could be introduced as planned.

There are several reasons for the change in mood:

- Many of the political questions surrounding the single currency were settled at the Amsterdam summit conference last summer.
- European economies are improving, making it more likely that key countries, including Germany, France, the Benelux nations and perhaps also Italy and Spain, will be able to meet the strict economic criteria this year that will qualify them for membership.
- There is a widespread conviction that not to proceed with the euro could do immense harm to a political experiment, European union, that has created wealth and helped maintain peace for more than 40 years.

If monetary union were not to go forward as planned, "the reactions of the capital and commercial markets would have disastrous consequences for our economies," said Jacques Chirac,

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Will Burgess/Reuters

Police taking away a woman who was shouting Sunday on a street near the Great Hall of the People in Beijing during the party congress.

China's Military Plan: Bid to Modernize Fast

Analysts See New Power but Limited Threat

By Michael Richardson
International Herald Tribune

SINGAPORE — Beijing's plan to cut its 3.1-million-man armed forces by 500,000 in three years will enable China to develop a more powerful military machine with a longer reach, Asian and Western analysts said in interviews Sunday.

"It is part of a program to make the Chinese forces much leaner and meaner, and also better equipped technologically," said Jusuf Wanandi, chairman of the supervisory board of Indonesia's Center for Strategic and International Studies.

"They are moving from labor-intensive to capital-intensive mode," said Kim Kyung Won, a former South Korean ambassador.

"But China is not anywhere near a position where it can challenge the United States for military supremacy, even within the Asia-Pacific region."

What is clear from the announcement Friday of the military retrenchment program by Jiang Zemin, China's president, analysts said, is that China is determined to press ahead with its program to modernize the armed forces.

It is using money and skills generated by the rapid expansion of the country's economy and industrial base, as well as selectively buying modern fighters, submarines, warships, missiles and other weapons and technology from Russia and know-how from Israel and the West.

"Chinese military strength is likely to grow over the next decades," said Joseph Nye Jr., a former senior U.S. defense official who is dean of the John F. Kennedy School of Government at Harvard University.

"Even if that does not make China a global or even regional power equivalent to the United States, it does mean that China is likely to look more awesome to its regional neighbors, and its enhanced capabilities will mean that any American military tasks will require greater forces and resources than is the case at present," he said.

"In other words, the rise of Chinese military power, similar to the rise of its economic power, must be taken seriously as a new factor in the region."

Mr. Nye said that with the economic distress of the former Soviet states, and joint Russian and Chinese concerns about U.S. dominance, China had been able to import impressive

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Stealth Fighter Crashes at U.S. Show

F-117 Smashes Into House Near Baltimore After Pilot Bails Out

Compiled by Our Staff From Dispatches

MIDDLE RIVER, Maryland — A U.S. Air Force F-117 stealth fighter that was participating in an air show crashed into a house shortly after takeoff Sunday, leaving the house in flames and at least four people injured.

The pilot ejected safely, and there were no immediate reports of deaths.

The plane went down just after 3 P.M. during a performance at the Chesapeake Air Show at the Glen Martin State Airport, said Steve Gisriel, a Baltimore Fire Department captain. He said that it crashed into a condo-marina complex in this suburb northeast of Baltimore and that all four people injured were thought to be in the complex.

Sharon Schuchardt was watching the air show from a boat and witnessed the crash.

"It's something nobody in their lifetime would ever want to experience. It was horrible," Ms. Schuchardt told CNN. "It was huge. A total explosion."

"It occurred during a flyover at an air show," said the Defense Department spokesman, Ken Bacon. "The pilot is undergoing emergency treatment."

CNN reported that there were numerous injuries on the ground, but no reported deaths. A witness quoted by CNN said a wing had come off the plane.

F-117 stealth fighters, armed with laser-guided bombs, were used in the Gulf War against the most heavily defended Iraqi targets because of their ability to evade radar and radar-guided missiles.

In June, a stealth fighter jet skidded off the runway at Holloman Air Force Base in New Mexico while returning from a routine training mission, injuring the pilot and causing more than $1 million in damage to the plane. The F-117A Nighthawk's nose and main landing gear collapsed, base officials said.

In July, a newly declassified report said that the Pentagon and weapons makers overstated the effectiveness of the F-117, which was touted as able to attack in all conditions. The report said the plane had trouble in clouds or dust during the Gulf War.

To Albright's Surprise, Saudis Laud Her Stand

By Thomas W. Lippman
Washington Post Service

JIDDA — King Fahd and other senior Saudi leaders have told Secretary of State Madeleine Albright that she underestimated what she had accomplished in her talks in Israel, U.S. and Saudi officials say.

They said that Mrs. Albright had heard endorsements here, as she had earlier during her stop in Egypt, of the United States' efforts to get Israeli-Palestinian peace agreements back on track.

Egyptian and Saudi leaders said they were gratified by her words to the Israelis, whom she urged to be more accommodating of Palestinian aspirations, and to the Palestinians, whose plight she said she understood even as she demanded that they renounce terrorism.

"All these statements we consider very encouraging and everybody has hope for the peace process to move forward," President Hosni Mubarak said at a news conference Saturday with Mrs. Albright in Alexandria, Egypt.

And Crown Prince Abdullah ibn Abdulaziz said at their meeting here Saturday night: "This is what we always looked for and admired, a secretary of state who is brave and frank at the same time."

But Saudi newspapers were sharply critical of Mrs. Albright's performance in Israel. They accused her of siding with Prime Minister Benjamin Netanyahu's government against the Palestinians.

The Saudi monarch and the senior princes expressed a different view, according to participants in their meetings.

They, like Mr. Mubarak, told Mrs. Albright that she had made a major contribution when she expressed frustration at the seemingly minimal results of her talks in Jerusalem.

The Saudis endorsed her formulation of "mutual responsibility" in carrying out the Israeli-Palestinian agreements, "and they did not exclude Palestinian responsibility" for the breakdown of that agreement, a U.S. official said.

Just by winning agreement for senior-level Israeli and Palestinian officials to meet later this month, Mrs. Albright

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AGENDA

Mother Teresa Is Honored With State Funeral That Bars Poor



Emmanuel Dunand/Agence France-Presse

A woman trying to glimpse Mother Teresa's funeral procession as it passed through Calcutta.

Mother Teresa, who went to India as a teenage religious novice almost seven decades ago and died there last week a national hero, made her final journey through Calcutta in a rare state funeral that began with a military escort and ended with a Gurkha rifle salute.

Tens of thousands of people withstood downpours to watch the procession, and dozens of foreign dignitaries attended the funeral. But the poor and the handicapped were excluded, mainly for security reasons. Page 4.

German and U.S. Planes Lost

BONN (Reuters) — A German military plane with 24 passengers aboard is presumed to have crashed Sunday while on a flight to South Africa and may have collided with a U.S. military aircraft carrying nine people, the German Defense Ministry said.

It said it had received confirmation that a U.S. C-141 cargo plane was missing in the region off Angola where the German aircraft was believed to have crashed.

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The IHT on-line www.iht.com

Leaders Balk As Discontent Accelerates In Vietnam

By Keith B. Richburg
Washington Post Service

HANOI — There are signs of discontent in the countryside, with hundreds of villagers in one poverty-stricken coastal province rising up and attacking local government leaders.

There is discontent in the foreign business community, with some companies pulling out entirely, others freezing new investments and nearly all complaining about continuing corruption, a hidebound bureaucracy and lack of clear commitment to economic reform.

There even seems to be discontent among Vietnam's closed and secretive Communist Party leaders — a recognition, through published speeches and articles in the officially controlled media, that state industries are failing, inefficient factories are overproducing overpriced goods and foreign debt is piling up.

Yet with such widespread acknowledgment that Vietnam has entered a dangerous and debilitating period of economic and political malaise, the country's septuagenarian and octogenarian leadership seems paralyzed. According to foreign diplomats, Vietnamese officials and analysts, the leadership knows it has to change and adapt to free Vietnam from its gridlock, but there is confusion and indecision on how to do it.

"They are not grinding in their heels. They are trying to determine what they will do, but they have not reached a consensus," said Douglas Peterson, the U.S. ambassador here. "They're looking for a system. They're looking for a complete change in the way this government works. They would like very much to avoid pluralism, because with that they see great instability."

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Putting Dagger Aside, CIA Again Stresses the Cloak

By Walter Pincus
Washington Post Service

WASHINGTON — CIA agents who infiltrated terrorist groups in recent years aided in uncovering intelligence that helped prevent two attacks in the last seven months against U.S. embassies abroad, the new CIA director, George Tenet, told Congress this year.

Mr. Tenet declined to provide details of the operations, including where they occurred. But in making even that minimal disclosure, he was signaling that while covert action remains a primary activity at the CIA in the post-Cold War period, there has been a departure from the spy service's often criticized history of clandestine operations directed at influencing foreign governments or removing political leaders, according to agency officials.

Reflecting new threats facing U.S. policymakers, major covert actions are being aimed now at disrupting terrorist plans, stopping narcotics shipments or fouling up financial transactions of missile makers, the sources said.

For instance, computer hackers' techniques have been used to disrupt international money transfers and other financial activities of Arab businessmen who support terrorism suspects.

Military research and development operations of longtime hostile countries, such as North Korea, Iraq and Iran, have been sabotaged by arranging to have European, Asian and other suppliers sell them faulty parts that will eventually fail.

Another tool is to "spike" exports and imports to and from such "rogue" nations as Libya and Iraq with extraneous matter — water added to oil, for instance — as a way to provoke dissatisfaction among consumers.

"In the past five to seven years, the sophistication of the new tools of covert action have helped bring about a sea change in operations from the old days," a senior intelligence official said.

"These operations are easier to do and provide incremental successes," he added. "A shipment is stopped, another is sabotaged. We take down a terrorist cell. Things like this are happening now every week."

Representative Porter Goss, the first chairman of the House Permanent Select Committee on Intelligence who has had actual experience as a CIA operations officer, said that such operations, particularly in the area of counterterrorism, represented a new type of clandestine activity.

"There are a large number of hidden activities going on to meet transnational threats," he said. "But I'm reluctant to call them covert action."

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Newsstand Prices			
Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 QR
Egypt	£E 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10 SR
Gabon	1,100 CFA	Senegal	1,100 CFA
Italy	2,800 Lire	Spain	225 Ptas
Ivory Coast	1,250 CFA	Tunisia	1,250 Din
Jordan	1,250 JD	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S. Mil. (Eur.)	$1.20

The Ear Mound / **Symbol of Korean Suffering**

In Japan, a Macabre Relic Offers Lessons of History

By Nicholas D. Kristof
New York Times Service

KYOTO, Japan — When they invaded Korea 400 years ago, Japanese samurai warriors brought back priceless porcelain, ingenious metal type for printing and noses and ears hacked off the corpses of tens of thousands of Koreans.

In one of the world's more macabre war memorials, a 30-foot (nine-meter) high hillock here in the ancient Japanese capital marks where the noses and ears were buried. The 400th anniversary of this Mimizuka, or Ear Mound, will be commemorated in September, underscoring the tensions and hostilities that still set the countries of East Asia against each other.

Few Japanese outside Kyoto know of the Ear Mound, but almost all Koreans do. In Japan, even among those who have heard of it, the Ear Mound is largely seen as a bizarre relic of little relevance today. To many Koreans, it is a symbol of a Japanese brutishness that still lurks beneath the surface waiting to explode.

"Frankly speaking, I think there is a risk" of Japan some day again attacking its neighbors, said Ryu Gu Che, an ethnic Korean in Kyoto. He suggested that the best way of reducing the risk would be for Japan to acknowledge and repent the savagery symbolized by the Ear Mound.

"So although 400 years have passed," he said, "I think both peoples should study this episode and learn some lessons."

Mr. Ryu, who is organizing the anniversary ceremony, said that the lesson that Japan should learn is to show greater remorse. The lesson for Korea, he said, is to avoid corruption and weakness that could tempt foreign invaders.

Although the major countries of East Asia, ranging from Vietnam through China to Korea and Japan, share a common cultural heritage to a considerable extent, deep antagonisms linger. A major reason for these antagonisms is not only competing interests today but also divergent memories of the past.

In Asia, history hangs over the present and constantly threatens to destabilize the future. The most sensitive memories are of World War II, but the Ear Mound underscores how some incidents continue to fester long after the people who were tortured or killed have turned to dust.

The Ear Mound dates from Japan's plans to conquer China and divide it among Japanese lords. Korea was in the way, so Japan assembled about 200,000 troops in 1592 and invaded, setting off a war that lasted six years and that by some accounts killed more than a million Koreans — close to one-third of the country's population at that time.

The samurai in those days often cut off the heads of people they had killed as proof that their deeds matched their stories, but it was impossible to bring back so many heads by boat to Japan. So the samurai preserved the noses and sometimes the ears of those they killed, soldiers and civilians alike.

Most of the noses were cut off corpses, but some Koreans reportedly were not killed and survived for many years without noses or ears.

The Japanese brought back barrels that may have contained the noses or ears of 100,000 Koreans, scholars say, but these numbers are unreliable. Korean estimates are sometimes tainted by the partiality of the researchers, and the subject has not attracted extensive Japanese scholarship, partial or impartial.

Japan's rulers displayed the noses and ears to Japanese subjects, apparently as a warning not to challenge the authorities, and then buried them and dedicated the Ear Mound on Sept. 28, 1597. Organizers of the ceremony on the 400th anniversary said that it would include Japanese and Koreans alike — Buddhist priests as well as Christian pastors — and would aim to appease the spirits of those who were killed and mutilated.

"Our purpose is not rooted in hatred," Mr. Ryu said. "Rather, the point is to learn the lessons of history."

About 700,000 Koreans live in Japan, mostly descendants of forced laborers brought here early in this century, and it often galls them that Japan does not show more remorse for the occupation of Korea from 1905 to 1945 or for the use of Korean women as sex slaves during the war.

IN Korea itself, anger at Japan still rumbles beneath the surface and a visit to a historic site is usually accompanied by a guide's angry comments about looting that occurred as far back as the 16th century.

On the other hand, some Japanese argue that Koreans and Chinese have vastly exaggerated the scale of the suffering and that atrocities are simply an unfortunate part of any war.

"One cannot say that cutting off ears or noses was so atrocious by the standard of the time," read a plaque that stood in front of the Ear Mound in the 1960s. That was taken down, but it still angers Koreans that Toyotomi Hideyoshi, the Japanese leader who organized the invasion, is treated in Japan as a national hero because of his actions within Japan.

Over the last decade, Japanese school textbooks have made enormous strides in honestly recounting the brutality of the period. Fifteen years ago, not a single textbook referred to the Ear Mound, but it is common in this year's textbooks, and so eventually this bit of history may become much better known in Japan.

"Now about half of all high-school history textbooks mention the Ear Mound," said Shigeo Shimoyama, an official of Jikkyo, a publishing company that in the mid-1980s became the first textbook company in Japan to include a reference to the mound.

Mr. Shimoyama said that at that time, the Education Ministry objected to the reference as "too vivid" and forced the publisher to tone it down.

Koreans react to the Ear Mound in different ways.

When Park Chung Hee was dictator of South Korea in the 1970s, some of his officials urged that the Ear Mound be leveled because it was shameful for Koreans. Other Koreans have suggested that the mound be relocated to Korea to appease the spirits of the dead. But most say that the mound should stay in Japan as a reminder of past savagery, and in any case Japan treats the mound as a national landmark and would be unwilling to return it.

The mound is not mentioned in most guidebooks, and it attracts few Japanese or foreign tourists. But children in the Hiroshima public schools, who are particularly sensitive to war because of the atomic bombing there, are regularly bused to Kyoto to see the mound.

ALTHOUGH the Ear Mound in Kyoto is the best known, there are similar ones — mostly much smaller — around the country, particularly in the south. Those also date from the Korean invasion and were apparently established by feudal lords who also sent troops to Korea.

Just a few years ago, scholars learned of the "Thousand Nose Mound" — which some local people had known of all along — near Bizen in western Japan. It apparently is also made up of the noses and ears of Koreans from the invasion 400 years ago, and it was recently rebuilt and rededicated to the spirits of the dead Koreans with contributions from 600 local Japanese residents.

The money the Japanese government allocates to maintain the Ear Mound in Kyoto is insufficient and so several Japanese and Korean volunteers cut the grass and clean up the mound as well.

"As a Japanese, I feel badly for what we did to the Korean people, and so I try to do something to make up for it," said Shiro Shimizu, 83, a volunteer who lives next to the Ear Mound.

"The lesson for today is that we should respect human life," Mr. Shimizu added.



Nicholas D. Kristof/The New York Times

Ryu Gu Che, who is organizing the 400th anniversary ceremony, lighting incense at the Ear Mound in Kyoto to honor the spirits of the Korean dead.

China Reform Is Long-Term And Gradual, Officials Say

Compiled by Our Staff From Dispatches

BEIJING — While the fanfare about aggressive state-sector reform has overshadowed the start of China's 15th party congress, officials stressed Sunday that the radical policies will be gradual and long-term.

The official China Daily's lead story Sunday quoted a senior State Statistics Bureau official, Li Qiming, as saying it would take 10 years for the current reforms to pay off.

The economy will be restructured to a "reasonable point" where "a fair market mechanism will ensure proper development" in a decade, said Mr. Li, director of the bureau's industry and transportation department.

Wang Zhongyu, minister-level head of the State Economic and Trade Commission, said at a media briefing that state-owned enterprises would in the long run benefit from the reforms but in the short run would "need a certain period of time to digest these changes, adapt themselves and adjust."

President Jiang Zemin opened the five-yearly congress Friday with a call to scale back state ownership to whip China's huge, inefficient state sector into shape. The policy he endorsed — under which the government will share enterprises' equity with institutions and individuals — will effectively privatize chunks of the sector, although the party avoids the term "privatization."

On Saturday, Prime Minister Li Peng hailed the decision to diversify ownership, but warned that it must be implemented slowly and cautiously.

"Everything should be done in accordance with reality. Hasty and arbitrary quotas should be avoided" he was quoted as saying by the Xinhua news agency. "Work in this regard should be done according to the law of the market economy and be gradually standardized."

The 217-member party presidium, the top decision-making body at the congress, endorsed Mr. Jiang's plan Sunday. The congress, held every five years, is expected to approve the platform and a new Central Committee when it ends Thursday. A new Politburo will be announced Friday.

The planned ownership reorganization aims to create incentives for improved management and performance, but analysts say it cannot produce a turnaround overnight, especially for firms buried under mountains of debt.

Details of the method for state disinvestment are still unavailable, but reports in the official media show some disagreement among officials about how to break down the state sector.

"The policy has paid off to support a selected number of large state enterprises while leaving most smaller ones to sink or swim," Li Qiming said.

But Xing Bensi, vice president of the Central Committee's party school, attacked reports that the state would only keep a small number of large enterprises as "groundless." Such a method would "only lead to chaos," he told Xinhua.

Less than half of 1 percent of state-owned enterprises are successful giant firms, but 70 percent of China's 370,000 state firms are running at a loss and 35 percent have debts greater than assets.

Because the sector employs more than 100 million of China's urban residents, any rapid disappearance of state backing could displace millions of workers, creating the potential for mass unrest. *(AFP, AP)*

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Bolivia, Costa Rica, El Salvador, Guatemala, Honduras, Japan, Nicaragua, Slovakia, South Korea.
TUESDAY: Mexico, South Korea, Sri Lanka, Taiwan.
WEDNESDAY: Angola, Hong Kong, Macau, South Korea.
THURSDAY: Chile.
FRIDAY: Chile.

Sources: J.P. Morgan, Reuters, Bloomberg

TRAVEL UPDATE

San Francisco Unions To End Transit Strike

OAKLAND, California (NYT) — Transit officials and union leaders reached a tentative agreement to end a one-week-old commuter train strike that has tied up traffic in the San Francisco Bay Area.

The agreement must still be voted on by the 1,700 striking union members. But negotiators said they would direct their union members to return to work as soon as the trains could be inspected and the system restarted.

The compromise agreement would give workers a 4 percent raise each year from 1998 to 2000. The package also ends a system of two-tier employment that limited the earnings of new workers and required them to work for up to six years to reach journeyman status.

Singapore Airlines delayed five flights to Kuala Lumpur because of worsening haze in Malaysia. Malaysia Airlines also rescheduled eight domestic flights and four international flights because of poor visibility. *(AFP)*

As a typhoon headed for Kyushu, Japan's main southern island, passenger ferry services and more than two dozen flights were canceled. *(Reuters)*

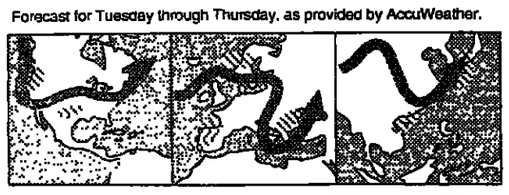
Nineteen people were injured when an Alitalia jet flying from Rome hit turbulence before landing in Caracas. *(Reuters)*

The Kenya Tourism Board is forecasting a major fall in earnings in 1997 and further gloom next year because of violence near coastal resorts. *(Reuters)*

Fine Air Services, a cargo carrier that suspended its flights following a crash in Miami last month that killed five people, said it plans to fly again within three weeks under an agreement with federal regulators. *(AP)*

WEATHER

Forecast for Tuesday through Thursday, as provided by AccuWeather.



Jetstream — Unseasonably Cold — Unseasonably Mild — Heavy Rain — Heavy Snow

North America
Cloudy, cool and showery weather in the Northwest. Hot, steamy weather across the southern Plains. It will be cool and showery in New England and across the Canadian Maritimes. Moisture from the remnants of Hurricane Linda will spark thunderstorms in the Southwest.

Europe
It will remain cool and showery over Greece and the Balkan Republics. The windy and rainy weather will continue in Scandinavia. It will be pleasant across much of Europe with a mix of clouds and sun. Hot weather in Spain.

Asia
Typhoon Oliwa will bring heavy rain to southeastern Japan. Cooler air will later down into northeastern China. It will be warm and humid in Beijing Tuesday with a drenching thunderstorm or two. Rain will continue to soak southeastern and south-central China.

Europe

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Algarve	23/73	17/62 pc	27/80	16/66 pc
Amsterdam	19/66	13/55 s	22/71	14/57 pc
Ankara	29/84	7/44 s	26/79	6/43 pc
Athens	29/84	20/68 s	31/88	17/62 pc
Barcelona	21/70	16/61 pc	25/77	17/62 sh
Belgrade	27/80	8/46 sh	28/82	11/52 pc
Berlin	19/66	12/53 c	22/71	14/57 s
Brussels	19/66	12/55 c	24/75	15/59 pc
Budapest	31/88	3/46 s	32/90	13/55 pc
Copenhagen	18/64	13/55 c	21/70	12/53 r
Costa Del Sol	26/79	19/66 pc	29/84	21/70 sh
Dublin	17/62	11/52 s	19/66	12/53 s
Edinburgh	17/62	13/55 sh	20/68	9/48 sh
Florence	31/88	17/62 pc	30/86	15/59 pc
Frankfurt	19/66	11/52 pc	22/71	13/55 pc
Geneva	28/82	14/57 s	32/90	12/53 pc
Helsinki	15/59	6/46 c	18/64	10/50 r
Istanbul	26/79	18/64 s	24/75	13/55 pc
Kiev	16/61	6/43 s	17/62	4/39 pc
Las Palmas	25/77	18/64 pc	26/79	20/68 pc
Lisbon	25/77	16/61 pc	26/79	17/62 pc
London	18/64	11/52 s	20/68	13/55 sh
Madrid	33/93	13/55 c	34/93	13/55 pc
Mallorca	26/79	17/62 pc	29/84	18/64 pc
Milan	32/90	11/52 s	33/91	16/61 pc
Moscow	17/62	7/44 pc	19/66	11/52 pc
Munich	19/66	7/44 s	21/70	12/53 pc
Nice	25/68	14/57 pc	24/75	18/64 pc
Oslo	19/66	13/55 r	20/68	11/52 r
Paris	19/66	11/52 s	22/71	13/55 pc
Prague	17/62	6/46 pc	21/70	13/55 r
Reykjavik	7/44	1/34 c	8/46	2/35 c
Riga	16/61	11/52 pc	20/68	10/50 c
Rome	32/90	14/57 c	34/93	17/62 pc
St. Petersburg	14/57	8/46 sh	19/66	14/57 c
Stockholm	14/57	11/52 pc	17/62	10/50 c
Strasbourg	21/70	11/52 s	24/75	10/50 pc
Tallinn	16/61	4/39 pc	17/62	10/50 r
Tbilisi	33/91	19/66 r	34/93	21/70 pc
Vienna	22/71	11/52 s	24/75	16/61 pc
Warsaw	19/66	8/46 pc	19/66	11/52 r
Zurich	19/66	10/50 s	22/71	14/57 pc

Middle East

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Abu Dhabi	41/106	28/82 s	39/102	24/75 s
Beirut	31/88	21/70 s	27/80	19/66 pc
Cairo	33/91	19/66 s	34/93	17/62 pc
Damascus	35/95	15/59 s	32/90	16/61 pc
Jerusalem	34/93	19/66 s	32/90	13/55 pc
Luxor	41/106	17/62 s	37/99	14/57 pc
Riyadh	41/106	24/75 s	40/104	23/73 pc

North America

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Anchorage	14/57	7/44 pc	14/57	9/48 pc
Atlanta	32/90	19/66 s	33/91	19/66 pc
Boston	26/79	16/61 s	25/77	12/53 pc
Chicago	27/80	16/61 pc	26/79	16/61 pc
Dallas	36/93	21/70 r	33/91	22/71 pc
Denver	31/88	13/55 pc	28/82	11/52 pc
Detroit	27/80	15/59 pc	25/77	14/57 pc
Honolulu	30/86	24/75 s	32/90	24/75 pc
Houston	36/97	21/70 pc	32/90	21/70 pr
Los Angeles	26/79	18/64 s	31/88	17/62 r
Miami	31/88	25/77 sh	32/90	25/77 sh
Minneapolis	28/82	17/62 pc	26/79	14/57 pc
Montreal	24/75	11/52 pc	20/68	12/53 pc
Nassau	32/89	24/75 pc	32/89	24/75 pc
New York	27/80	19/66 s	25/77	16/61 pc
Orlando	33/91	23/73 pc	32/89	23/73 sh
Phoenix	37/99	26/79 t	39/102	26/79 pc
San Fran.	21/70	13/53 s	22/71	13/55 pc
Seattle	17/62	11/52 r	18/64	10/50 pc
Toronto	25/77	14/57 pc	24/75	12/53 pc
Vancouver	11/52	8/46 r	13/55	6/43 pc
Washington	29/82	18/64 pc	27/80	17/62 pc

Asia

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Almaty	29/84	14/57 s	29/84	15/59 pc
Baku	29/84	20/68 pc	30/86	22/71 pc
Bangkok	32/89	24/75 c	33/91	25/77 pc
Beijing	24/75	13/55 c	29/77	13/55 pc
Bombay	28/82	24/75 r	30/86	24/75 pc
Calcutta	31/88	24/75 c	31/88	26/79 pc
Chiang Mai	31/88	22/71 c	31/88	23/73 pc
Colombo	28/82	24/75 c	29/84	24/75 pc
Hanoi	30/86	25/77 pc	31/88	25/78 pc
Ho Chi Minh	31/88	23/73 r	31/88	24/75 pc
Hong Kong	28/82	24/75 pc	29/84	28/78 pc
Islamabad	40/104	24/75 s	36/97	20/68 r
Jakarta	31/88	22/71 pc	31/88	23/73 pc
Karachi	32/89	24/75 s	32/89	25/77 pc
K. Lumpur	31/88	22/71 pc	32/89	23/73 pc
K. Kinabalu	30/86	23/73 sh	31/88	24/75 pc
Manila	30/86	23/73 pc	31/88	24/75 c
New Delhi	37/99	25/78 pc	34/93	24/75 sh
Phnom Penh	31/88	23/73 c	31/88	24/75 pc
Phuket	32/89	24/75 c	33/91	25/77 pc
Rangoon	29/84	23/73 r	29/84	24/75 pc
Seoul	25/77	14/57 pc	25/77	17/62 s
Shanghai	27/80	25/77 r	29/84	23/73 c
Singapore	30/86	21/70 pc	31/88	23/73 pc
Taipei	31/88	26/79 r	32/89	26/79 r
Tokyo	23/73	18/64 r	24/75	23/71 pc
Vientiane	30/86	22/71 pc	30/86	23/73 pc

Africa

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Algiers	31/88	21/70 c	31/88	20/68 pc
Cape Town	27/80	12/53 s	21/70	10/50 pc
Casablanca	23/73	17/62 pc	26/79	19/66 pc
Harare	19/66	11/52 c	22/71	10/50 pc
Lagos	28/82	22/71 c	28/82	23/73 pc
Nairobi	26/79	11/52 pc	27/80	12/53 pc
Tunis	30/86	21/70 c	31/88	19/66 pc

Latin America

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Buenos Aires	16/61	7/44 s	18/64	7/44 pc
Caracas	28/82	22/71 pc	29/84	22/71 pc
Lima	21/70	17/62 pc	22/71	18/64 pc
Mexico City	22/71	13/55 c	23/73	13/55 pc
Rio de Janeiro	27/80	22/71 c	27/80	21/70 pc
Santiago	20/68	6/43 s	22/71	8/46 pc

Oceania

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Auckland	13/55	8/41 pc	11/52	7/44 s
Sydney	22/71	14/57 c	21/70	11/52 pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, w-snow, Hot, W-windy. All maps, forecasts and data provided by AccuWeather, Inc. © 1997

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THE AMERICAS

Tobacco Settlement Is All But Ashes

By John M. Broder and Barry Meier
New York Times Service

WASHINGTON — Just three months ago, state attorneys general and tobacco industry executives announced a dramatic $368.5 billion legislative proposal that was to mark a turning point in the nation's decades-old conflict over smoking and health. But today, the proposed tobacco settlement is all but dead. And what, if anything, will rise in its place remains the subject of intense debate.

Though White House officials helped shape the proposed tobacco accord, the administration has steadily backed away from it. Advisers to President Bill Clinton urged him last week to offer only a general outline of what a national tobacco policy should contain, rather than a detailed legislative proposal.

Mr. Clinton is to deliver his verdict on the plan as early as this week. Initial expectations that Congress would enact a tobacco bill this year have been deflated. And with each passing week, the plan's momentum has slipped.

In part, the proposal's uncertain fate reflects a clash of historic adversaries, including fierce opposition from anti-smoking forces and others who have characterized the deal as a bailout for a renegade industry. But interviews with Clinton administration officials, lawmakers, public health advocates and tobacco industry representatives also suggest that backers of the settlement package made a series of crucial missteps and miscalculations.

For example, the strategy adopted by tobacco companies and state attorneys general — to present a prepackaged proposal to Congress that involved public health, regulatory and liability issues — backfired as lawmakers balked at being told how to do their jobs.

The industry's immense financial offer and its trumpeted concessions on marketing did not mollify opponents, but rather loosed a torrent of popular anger. If the companies were willing to pay that much, critics contended, they must be able to afford more. And in what proved to be a political blunder, tobacco lobbyists managed to slip a $50 billion tax credit to lower the cost of the settlement into balanced budget legislation passed in July. Embarrassed senators voted, 95 to 3, on Sept. 10 to repeal the provision.

"There was institutional reluctance — resentment, even — that a handful of attorneys general and plaintiffs' lawyers would come to us with such a detailed agreement, even divvying up the spoils," said Senator John McCain, Republican of Arizona, the chairman of the Commerce Committee. "Who do these people think they are? That's a legislative and executive branch prerogative."

Senior administration officials briefed the president Friday on their review of the proposal, two months after the study was to have been completed. The consensus, after sharp internal debate, was that Mr. Clinton should sketch his tobacco policy in broad strokes without endorsing the plan negotiated by the state officials and tobacco lawyers, or any version of it.

Under the proposed accord reached on June 20 between five tobacco companies, state attorneys general, some public health advocates and class-action lawyers, the industry agreed to pay $368.5 billion, principally to settle smoking-related lawsuits by states and smokers. It also agreed to restrict marketing, do away with advertising figures like Joe Camel and the Marlboro Man, finance anti-smoking campaigns, pay fines if youth smoking did not fall to specified levels and submit to the jurisdiction of the Food and Drug Administration.

In return, the agreement proposed giving cigarette makers protection against class-action lawsuits and immunity from punitive damage awards for past misconduct.

In negotiating the settlement, a small group, who included plaintiffs' lawyers representing smokers and their survivors, had excluded lawmakers and others, believing too many voices would doom their effort. In this hothouse atmosphere, some came to believe their proposal would be quickly embraced by Congress and the public health community, some of those involved said.

They soon found out differently. Hours after the plan's announcement, both Dr. David Kessler, the former commissioner of food and drugs, and Dr. C. Everett Koop, the former surgeon general, condemned it as "deeply flawed."

Editorial writers and lawmakers assailed the plan, describing it either as a cave-in to the cigarette makers or a boondoggle for trial lawyers. "It was like opening Pandora's box," said an executive of R. J. Reynolds Tobacco Co.

Senator Don Nickles of Oklahoma, the No. 2 official in the Republican Senate leadership, said: "They bring us a plan that involves a collective violation of antitrust laws and sends most of the money to the states and exempts the companies from liability. Nobody's signed off on that. It's got a long way to go before it becomes law."



Mr. Clinton, left, and Vice President Gore at a congressional dinner.

Aide Pushed Clinton to Call Donors

By Don Van Natta Jr.
New York Times Service

WASHINGTON — Harold Ickes found it easy to persuade President Bill Clinton to agree to make a few fund-raising calls from the White House. The hard part was actually getting the president to pick up the telephone.

Mr. Ickes, formerly the White House's deputy chief of staff, recalled that he had to leave the call sheets on Mr. Clinton's desk, where they often sat for weeks, untouched.

"Then I would bug him in a very low-keyed way as to whether he made or was intending to make the phone calls," Mr. Ickes said in a deposition taken in June by Republican lawyers for the Senate committee investigating campaign-finance abuses. "He always intended to make the calls."

Mr. Ickes said that occasionally he would "be fortunate enough to find out that he had, in fact, made a phone call."

In the two-day deposition, a copy of which was obtained by The New York Times, Mr. Ickes described himself as the Clinton campaign's "bottom-line guy" and chief cajoler who pressed a reluctant president and a less reluctant vice president to make fund-raising calls from the White House.

Mr. Ickes spoke frankly about the Democrats' money needs and the scramble to meet them. That challenge was made even more difficult by the president's popularity, which Mr. Ickes said was responsible for a severe shortage of direct-mail contributions last year because many Democrats assumed Mr. Clinton did not need their help.

"At one point," Mr. Ickes said, "there was a real fall-off in direct mail because the president was doing so well in the polls. We lost 5 million bucks, literally, in a month."

The crisis called for some creative fund-raising measures, and that was clearly part of Mr. Ickes's mandate. His aggressive push for money was just part of a frenetic Democratic campaign that saw Vice President Al Gore dialing for donations in his office and arms dealers and convicted felons attending White House coffees.

Throughout hours of questioning, Mr. Ickes described himself as being as perplexed as everyone else about the motives and activities of John Huang, Yah Lin (Charlie) Trie and Johnny Chung, three fund-raisers whose activities have come under intense scrutiny.

"I would not know him if he came in here right now and sat on my lap," Mr. Ickes said of Mr. Chung.

Mr. Ickes repeatedly denied suggestions that the excesses were somehow his fault, even indirectly. If he had known that fund-raisers had sold admission to White House coffees, seats on Air Force One and overnight stays in the Lincoln Bedroom, Mr. Ickes said, he would have taken immediate action.

"Had I known of it," he said, "I would have not only disapproved of it, I would have told them to stop."

But Mr. Ickes's answers also make it clear that he was a driving force behind the aggressive push for contributions for the Clinton-Gore campaign and the phone solicitations from the White House, the two issues that have combined to ensnare the vice president in the most serious crisis of his career.

Attorney General Janet Reno is now investigating whether 46 phone calls Mr. Gore made to big donors from his White House office constituted violations of the federal election law. A portion of the money raised from those calls was diverted from the Democratic National Committee to the Clinton-Gore campaign.

Within the next several weeks, Ms. Reno is to decide whether an independent counsel should be appointed.

POLITICAL NOTES

Clinton Pushing Campaign Reform

WASHINGTON — President Bill Clinton has challenged the Senate to bring a long-delayed campaign-finance reform bill to a formal vote this month and told senators threatening to block consideration of the legislation that "a vote to filibuster campaign reform is a vote to keep special-interest money and kill reform."

The bill would ban the use of "soft money" by national political parties. Soft money is the term used for donations that aid a party's general campaign but cannot be used to help a specific candidate.

Many Republicans argue that Mr. Clinton's support of the measure is designed to divert attention from the revelations concerning his own involvement in raising soft-money donations for his re-election effort last year. *(NYT)*

A Lucrative Year For Kenneth Starr

WASHINGTON — Kenneth Starr last year was paid $87,385 as the independent counsel appointed to investigate President Clinton, Hillary Rodham Clinton and the Whitewater affair, and he took in $1.12 million from Kirkland & Ellis, the law firm where he continued his private practice.

The compensation from Mr. Starr's private law practice for 1996 rose $163,000 from the $956,621 he reported earning at Kirkland & Ellis in 1995, according to financial disclosure statements.

A spokesman for the law firm, Jack Levin, said: "As with any high-level partner, Ken's compensation is calculated as a percentage of the firm's profits." *(WP)*

Quote/Unquote

Steve Forbes, who ran for the Republican presidential nomination last year, speaking before the Christian Coalition's annual convention in Atlanta, where he drew an enthusiastic response in speaking of a national creed: "We must not rest until it includes the unborn and the elderly. Properly argued, I believe this issue can inspire our nation, not divide our nation. Remember, life begins at conception and ends at natural death." *(NYT)*

AMERICAN TOPICS

Internet Essays Undercut Colleges' Applications Steps

College admissions officers are unhappy about a new Web site on the Internet that offers students help in writing the crucial personal essays required for admission. The Web site, IvyEssays, goes beyond offering guidelines or ideas for better writing; it sells copies of essays that have helped earlier students gain admission to some of the country's best universities, from Stanford to Harvard.

Purchasers of a 10-paper package — it includes topics like the "Experience That Changed Me Essay," the "I Love Science Essay," and the "Surviving a Setback Essay" — are required to promise not to copy from these solid gold essays, which the Web site's creator purchased.

They begin with language like, "I grew up in small towns in Idaho and New Mexico," or, "I watched as the mahi-mahi leapt from the ocean's surface."

College officials say college applicants might modify these only slightly for their own use.

Plagiarism is not uncommon in such endeavors. "The University of Pennsylvania finds fraud in 15 percent of applicants' essays," according to The Philadelphia Inquirer.

Short Takes

The opening day of the Los Angeles County Fair last week was like those of earlier years. Clowns roamed the midway and the Randy Newman song "I Love L.A." blared from speakers. This year, however, a new booth is drawing crowds — and raising some eyebrows. The state's Justice Department has installed nine computers at which fairgoers can scan lists of 64,000 convicted child molesters and rapists. The CD-Rom displays include photographs, offenses, names and addresses. As in several other states, the information was already publicly available, at police stations and by phone. But California appears to be the first state to bring the data into the land of cotton candy.

Liz Schroeder of the American Civil Liberties Union called the display "voyeuristic," saying it was jarring to fairgoers with "a hot dog in one hand and a candy cane in the other." The state, she said, was making a public safety issue into "some sort of entertainment."

Debit cards, which look like credit cards but work like checks, have been catching on rapidly. About 10 million Americans owned such cards in 1991. But financial institutions have been mass-mailing the cards to households, and companies like Visa and MasterCard are reassuring wary consumers that if they lose a card, they will be held responsible for no more than $50.

Kenneth Jursinski, a Cincinnati businessman, was gnashing his teeth, waiting for news he hoped would close a $50 million deal, when his secretary said he had an urgent call. He snatched up the phone. "It was some guy trying to sell me stocks and bonds," Mr. Jursinski said. "I hung up and said, 'Enough!'"

Four years later, Mr. Jursinski is selling a device designed to thwart telemarketers — the Phone Butler. When an unwanted call comes in, the user presses a button on the phone pad. The caller then hears a firm voice with a British accent saying: "Pardon me, this is the Phone Butler, and I have been directed to inform you that this household must respectfully decline your inquiry. Kindly place this number on your do-not-call list. Good day."

And with that, the caller is disconnected. "I wanted something polite and fast," Mr. Jursinski said.

The Butler could be a boon to people who have a hard time brushing off telesolicitors, Mr. Jursinski said. Most victims of phone fraud, according to the FBI, are elderly and often consider it rude to hang up.

Brian Knowlton

Away From Politics

• **Miss Illinois,** an aspiring actress named Katherine Shindle, 20, who works as a janitor at a dance studio in exchange for lessons, was crowned Miss America 1998 in Atlantic City, New Jersey. The theater and sociology major, in her last year at Northwestern University, said she would be an advocate for AIDS issues. *(AP)*

• **With jury selection** in the second Oklahoma City bombing trial two weeks away, the defendant, Terry Nichols, has asked to trade courtroom tables with the prosecutors so he can be closer to the jurors. Mr. Nichols, 42, goes on trial Sept. 29 on 11 charges of murder and conspiracy in the 1995 bombing of a federal building that killed 168 people. *(NYT)*

• **America Online will remove** Web pages from its system that feature essays and artwork by serial killers. The Internet provider said the Web pages featuring work by Keith Hunter Jesperson and Danny Rolling would be removed. Mr. Jesperson has been convicted of three murders in the Pacific Northwest and faces a fourth murder charge in Wyoming. Mr. Rolling is on death row in Florida for the 1990 murders of five college students in Gainesville. *(AP)*

• **The space shuttle Atlantis** is scheduled to blast off on a mission to Mir on Sept. 25 to pick up the astronaut Michael Foale and drop off his replacement. *(Reuters)*

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The Final Journey For Mother Teresa

India Honors Her as National Icon With Pomp and Sorrow at Funeral

By Barbara Crossette
New York Times Service

CALCUTTA — Mother Teresa, who came to India as a teenage religious novice almost seven decades ago and died here last week a national hero and international icon, made her final journey through the monsoon-soaked streets of Calcutta.

In six hours of ceremonies Saturday that began with a military escort from a quiet convent church and ended with a Gurkha rifle salute over her tomb, the nun was honored with both pomp and sorrow by her city, her adopted country and the world.

As Mother Teresa was borne through Calcutta on an army gun carriage — the one that carried Mohandas Gandhi to his funeral pyre in 1948 — she lay in an open coffin, partly tucked under an Indian flag.

There was a rosary in her worn and wrinkled hands. Her sari, white with the distinctive blue border of her Missionaries of Charity, was pinned at the shoulder with a silver cross.

The crowds that assembled to see her cortege pass were far smaller than expected — in the tens of thousands rather than the expected million — and far more decorous than usual in India. Some waved goodbye; some wept. Some held their children aloft for a look at the formidable woman who many predict will one day be declared a saint.

Periodic downpours probably kept many people off the streets. But there was also a certain air of detachment about Saturday's events.

The poor, the handicapped and the troubled — the people Mother Teresa spent her life helping — were barred from taking part, at the insistence of the Indian military, largely for security reasons. Calcutta is an unpredictable city that is inexperienced in this kind of spectacle, and there were many foreign dignitaries to protect.

When on a few occasions bystanders broke through barricades and surged toward the gun carriage and its military escort, sometimes throwing flowers, they were pushed back by troops and police officers.

A few of Mother Teresa's beloved people did attend the funeral itself, a three-hour ceremony that was partly a Roman Catholic Mass and partly a memorial service addressed by leaders of more than half a dozen other faiths and attended by representatives of dozens of governments worldwide.

A woman rescued from prison, an orphan, a young handicapped man and a leper took part in the Mass led by Cardinal Angelo Sodano, the Vatican secretary of state.

"She learned to see the face of God in every suffering human being," Cardinal Sodano said in a eulogy delivered on behalf of Pope John Paul II.

"The entire church thanks you for your luminous example and promises to make it our heritage," he added, in his farewell to a nun whose wild notion about founding an order devoted to the poorest of the poor was not at first welcomed in Rome nearly half a century ago.

"I thank you for all you have done for the poor of the world," he said. "Dear Mother Teresa, rest in peace."

As many cardinals and archbishops prayed over her body, which rested on a catafalque trimmed in what are known here as the "Mother Teresa colors" of blue and white, a choir of her order's sisters, representing thousands of Missionaries of Charity in scores of countries, sang her favorite hymn, "Abide With Me."

The last line of its first verse seemed especially appropriate: "Help of the helpless, oh, abide with me."

Hillary Rodham Clinton took her place among the foreign delegations and laid a wreath at the foot of Mother Teresa's coffin on behalf of the United States.

The presidents of Albania, her native country, Ghana and India were present, along with prime ministers, ambassadors and special representatives — often the spouses — of political leaders.

Three queens were in attendance: Queen Fabiola of Belgium, Queen Noor of Jordan and Queen Sofia of Spain. The Duchess of Kent represented Queen Elizabeth II.

Indian politicians also lined up to lay wreaths, prolonging by an hour what was to have been a two-hour service.

It was held in a large indoor stadium built for table-tennis championships in the 1970s. Indians had turned the vast hall into a temporary cathedral.

A lot of attention and commentary focused Saturday on Mother Teresa's successor, Sister Nirmala, who told reporters Friday that she would not assume the name of Mother.

She was chosen superior general of the Missionaries of Charity in March, when it was apparent that Mother Teresa's health was precarious.

In her remarks during the Mass, Sister Nirmala did not deviate from her sober, reflective style. Born into a Nepali Hindu Brahmin family, Sister Nirmala has neither the infectious grin nor the send-in-the-tanks approach to obstacles that made Mother Teresa a widely admired and respected figure.

The last rites for Mother Teresa, who was 87, marked the first time since Gandhi's assassination in 1948 that India had organized a state funeral for a person who had not held public office.

The final burial ceremony was closed to the public and the press. Only the rifle salute, fired by Gurkhas of the Indian Army, signaled to the crowd that Calcutta's favorite nun was gone.



John Moore/The Associated Press

A few faces in the varied crowd waiting in Calcutta for Mother Teresa's funeral procession to pass by.

At Least 100 Die and 400 Are Injured in Indian Train Plunge

Agence France-Presse

NEW DELHI — At least 100 people were killed and 400 injured when five cars of a passenger train plunged off a bridge into a river Sunday in the central state of Madhya Pradesh, the United News of India reported.

The accident occurred about 70 kilometers (40 miles) from the city of Raigarh. The five cars of the packed train, with an estimated 300 passengers aboard, derailed and plunged into the Hansdev River. The press agency said 100 more people were being treated in a hospital in Raigarh. Railroad officials had yet to comment.

BRIEFLY

Blast Kills 18 at India Refinery

HYDERABAD, India — An explosion and fire Sunday at an oil refinery in southern India killed at least 18 people and forced the evacuation of more than 150,000 others, officials said.

Scores of people were injured, and residents fled five villages as the fire spread and damaged a naval installation and offices of another petroleum unit in the port city of Vishakhapatnam, officials said.

A dozen Indian and foreign chemical factories within a 20-kilometer (12-mile) radius of the burning refinery were shut down as heat from the blaze blew up oil storage tanks, witnesses said. Officials from the state-owned Hindustan Petroleum Corp. said 31 refinery employees, including tanker-truck drivers, were injured in the blast and the fire. *(AFP)*

Thais Protest Economic Crisis

BANGKOK — More than 1,000 workers marched through Bangkok on Sunday in protest of possible layoffs in the public sector and the government's handling of the economic crisis.

The latest demonstration stepped up pressure on Prime Minister Chaovalit Yongchaiyut, who is bracing for votes on a no-confidence motion and a new constitution at the end of the month.

In a meeting with Mr. Chaovalit after the protest, leaders of the march asked that he take into consideration the plight of the poor when formulating policies to raise revenue. *(AFP)*

High Energy Use Seen in Asia

HONG KONG — Global energy demand is forecast to double by 2020, with the greatest demand coming from fast-growing economies in Asia, a report released here Sunday said.

The report, "Energy 2020" by a private British power company, PowerGen, said the traditional heavy energy consumers in Europe could be overtaken by Asian countries. Six of the top 10 energy consumers could be in Asia, with the United States remaining the largest consumer overall into the next millennium.

The report suggested that by 2020 the United States will be the biggest consumer of power, followed by China, where it said demand could grow at twice that as in the United States. *(AFP)*

For the Record

An underground gas pipeline in southern Taiwan owned by the state oil monopoly Chinese Petroleum exploded and burst into flames, killing at least three people and injuring 22, police said. *(Reuters)*

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THE INTERMARKET Continues on Page 7

EUROPE

'Modernizing' Britain: Blair's Political Gamble

Just Where Will His Agenda Lead?

By Dan Balz
Washington Post Service

LONDON — A British think tank called Demos issued a report last week criticizing the country as little more than a heritage theme park and arguing that it is time to make Britain "one of the world's pioneers rather than one of its museums."

No one seems to understand that message with greater clarity than Prime Minister Tony Blair. In office less than five months, he misses no opportunity to push the theme of modernizing Britain as the centerpiece of his agenda.

NEWS ANALYSIS

"We came to power pledged to modernize. New Labour, new Britain," he told the Trade Union Council last week. "The party modernized, earning the trust of the people to modernize our country. And just as the party which elected me leader knew of my determination to modernize the party, so the country was clear about what we intended, too. Modernity is our spirit as it is the spirit of an age."

Mr. Blair's agenda is full of proposals that push the country in a new direction. Scotland voted last Thursday to create its first Parliament in nearly 300 years. This Thursday there will be a vote in Wales on whether to create a separate assembly with limited powers. After that there will be a move to give London its first elected mayor. After that may come regional bodies in England with powers over local affairs. Mr. Blair speaks of devolving power in Northern Ireland if the two sides conclude a peace agreement. Now, after the death of Diana, Princess of Wales, he has added the monarchy to the list of institutions that need refurbishing.

It is a program that is both radical and conservative — although skeptics contend it is mostly rhetorical flourish to substitute for the kind of large-scale spending on education or health care or housing that Mr. Blair rejects. Still, it represents a gamble. He is helping set in motion forces that may outrun him, while betting that modernization is the route to preservation — of a United Kingdom, of the monarchy and most importantly of the Labour Party government he heads. All of this will test the young prime minister's political abilities to balance competing demands while steering a course aimed squarely at expanding his and Labour's support among the middle class for a second five-year term.

If there is a thread that ties together the momentous events of the last two weeks here, it is the theme of rejuvenation. The crowds mourning Diana outside Buckingham and Kensington palaces did not necessarily want to dump the monarchy; they mostly wanted a monarchy in tune with the sensibilities of the time. The Scots who gave a resounding vote in favor of a new Parliament did not necessarily want to break away from Britain, but they certainly wanted the power to make some decisions for themselves.

Mr. Blair has done much to try to stitch all of this into one garment. In the last two weeks, he has been highly visible and politically adroit at capturing and defining the public mood. It was Mr. Blair, or one of his advisers, who coined the phrase "the people's princess," which seemed to give voice to the mourners who were then just beginning to gather outside the royal palaces. It was Mr. Blair who hailed the devolution vote in Scotland as a sign that the people had shown "the courage and confidence to trust themselves." It was also Mr. Blair who told trade unionists, many of whom listened in silence, to "modernize your political structures" or suffer the consequences of virtual exclusion in a political party the unions once controlled.

Critics question whether the theme of modernization really adds up to a program — or represents little more than stylish rhetoric on the part of a Labour Party politician who wants to govern more as a conservative.

"Modernization is a term that is very frequently used to describe policies at the moment," said Eric Shaw, a lecturer at Stirling University in Scotland and the author of several books about the Labour Party. "But when you try to define what it means, it's not entirely clear what it has to do with being innovative or new. In policy terms, it's a shift toward political perceptions that have more often been found on the right."

David Willetts, a Conservative member of Parliament, said the Tories would argue that "the real meaning of modernization is the economy and that we accomplished a lot in 18 years."

Mr. Blair's government, he predicted, will make it more difficult to continue those changes. He also criticized the prime minister's overall approach. "There's a sort of arrogant assumption that Labour can work over any institution in its path," Mr. Willetts said.



Marwan Jamil/Agence France-Presse

A photograph released Sunday showing a section of the discharge pipe from the nuclear-reprocessing plant at La Hague, which Greenpeace claims is spewing radioactive waste into the English Channel.

BRIEFLY

Greenpeace Levels New Charges Against La Hague Nuclear Plant

PARIS — The Greenpeace environmental group leveled new accusations against the nuclear reprocessing plant at La Hague on Sunday, saying it had deposited radioactive waste just 250 meters off a local beach.

Greenpeace said its divers found two nuclear-waste drums, a filtration chamber and 20 meters of pipe off a public beach near the plant on the English Channel.

"Measurements taken underwater show that these items emit dangerous radiation levels," the statement said.

Cogema, the state-run nuclear company that operates the plant, was not available for comment.

Greenpeace said the presence of waste appeared connected to recent attempts by Cogema to clean up the area at the end of the plant's discharge pipe following earlier accusations by Greenpeace that the pipe was spewing atomic waste. *(Reuters)*

Labor Teetering in Norway Vote

OSLO — Norway's governing Labor Party was heading for a cliff-hanger election Monday after a campaign fought over how fast to spend huge riches from North Sea oil.

"I feel very confident," Prime Minister Thorbjoern Jagland said. "We have done what we should do and what we could do in this election campaign."

He reiterated that his minority Labor government would resign unless it received at least 36.9 percent of the vote, the amount it won in the last election, in 1993.

Even so, analysts say disarray in the opposition means that Labor could regain power even if it falls short of its target and briefly steps down. Squabbling among other parties means that any rival coalition may quickly founder.

Two opinion polls Sunday diverged over whether Labor would reach its goal. An MMI survey estimated that Labor would get 40 percent of the vote, while an Opinion AS poll showed it receiving 34.4 percent. *(Reuters)*

Turk Army Helicopter Crashes

DIYARBAKIR, Turkey — A Turkish military helicopter hit electricity cables and crashed into a garden Sunday, killing 10 soldiers on a mission against Kurdish rebels, security officials said.

They said three noncommissioned officers and seven privates died in the crash on the outskirts of Gevas on the banks of Lake Van in eastern Turkey. *(Reuters)*

U.S. Air Base Reverts to Pasture

LONDON — Fences around Greenham Common, a former U.S. air base in southern England where cruise missiles were deployed at the height of the Cold War, were pulled down Sunday.

Greenham Common drew thousands of protesters when the missiles were first deployed in 1983 and a series of women's protest camps were set up around the perimeter.

The air base will now revert to common land where cattle and other animals will be allowed to graze, though some areas will still be off limits to the public for safety reasons. *(Reuters)*

Russian Says No 'Suitcase' Atom Bombs Are Missing

By David Hoffman
Washington Post Service

MOSCOW — A former Russian security official said over the weekend that all suitcase-sized nuclear weapons inside Russia had been accounted for. But the situation is not yet fully clear in some of the other former republics of the Soviet Union, he added.

Alexander Lebed, a former general who at one time ran the Security Council, has suggested that some nuclear weapons might be missing from the Russian military arsenal.

But the former security official, Vladimir Denisov, once a deputy on the council, said Saturday in an interview with Interfax that all suitcase bombs in Russia were being kept at "appropriate storage facilities."

Three months ago, Mr. Lebed told a U.S. congressional delegation visiting here that while serving in the Kremlin he had tried to account for 100 or more suitcase-sized nuclear weapons held by the military and could locate only 48. Russian and U.S. officials later discounted his suggestion that the other weapons were "missing."

Mr. Lebed, who has a reputation for exaggeration but also has close ties to the military, subsequently described the weapons as roughly the size of a carry-on travel bag. He said they were the responsibility of special military intelligence units in border regions.

The former general said to Interfax a week ago that the nuclear suitcase was "an ideal weapon for nuclear terror."

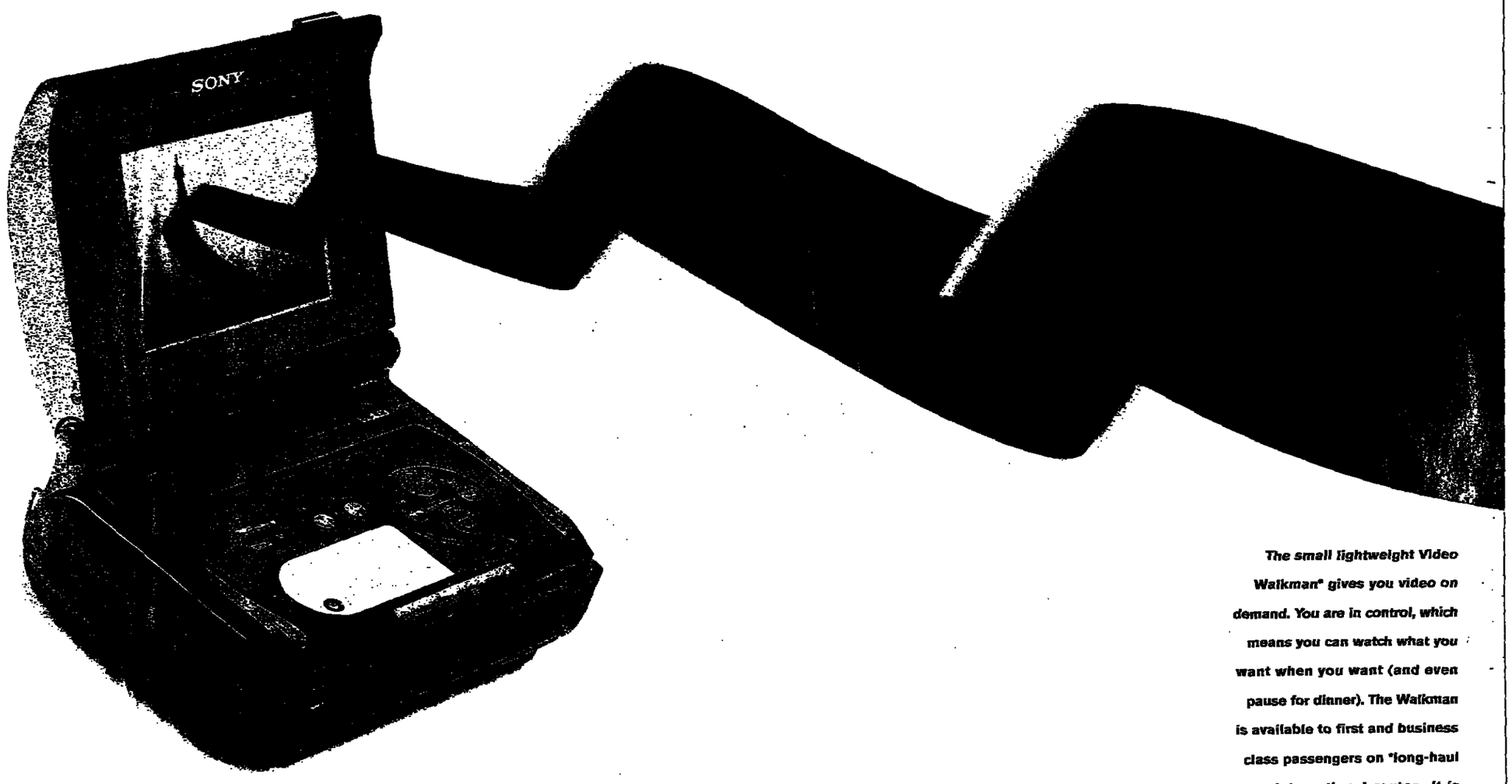
"The warhead," he said, "is activated by one person and is easy to transport."

In contrast with his earlier explicit statement about 100 such bombs, Mr. Lebed said that while he was serving in the Kremlin he "did not have time to find out how many such nuclear warheads there were."

Mr. Denisov said Saturday that the issue of missing nuclear weapons came up in July 1996 because of the war in breakaway Chechnya and reports that a nuclear weapon might have fallen into the hands of Chechen rebels.

By last September, he said, the group reported that no units in Russia had such weapons and that all were appropriately stored. The group concluded that such bombs could not be made illicitly.

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Can Italy Steer Clear of a Crisis on Welfare?

Q & A / Foreign Minister Lamberto Dini

Italy's center-left government is preparing a sweeping program of welfare reform, but the Refounded Communist Party opposes any cuts in pensions and other areas and last week threatened to pull out of the majority coalition. Foreign Minister Lamberto Dini, who is also leader of the Italian Renewal Party, a moderate member of the coalition, discussed Italian politics and foreign policy with Alan Friedman of the International Herald Tribune.

Q. It looks as though the Refounded Communists may be able to block welfare reform, and they are threatening a political crisis on the issue. What is your assessment of the situation?

A. So far the Refounded Communists have not been an obstacle to the implementation of our budgets. But of course the government now needs to make adjustments in the welfare system in order to complement the deficit-reduction plan and make it sustainable and lasting. The Communists are hung up on preserving the status quo. They are the real conservatives, and they are obviously mistaken, so it is our job to convince them they are wrong.

Q. But they say they might pull out of the government, depriving you of a majority in Parliament. Do you think this is a real risk or not?

A. My expectation is that when the chips are down, the Refounded Communists will not withdraw from the government on an issue so vital for the future of our country.

Q. So you think they are simply bluffing, or posturing?

A. In the end I think they will come along. But there is no doubt that we are at a difficult juncture.

•

Q. The Refounded Communists are also pushing for legislation to require a 35-hour workweek, like the French government. What is your view of this proposal?

A. It would be a serious mistake to go along with such a proposal and mandate a 35-hour week. This is a matter that should be left to collective bargaining.

Q. What would a 35-hour week mean for Italy?

A. It would lead to a loss of competitiveness, with inevitable consequences for production and for exports.

Q. Another problem for the government is the secession threat from Umberto Bossi, leader of the Northern League. What is your reaction to the announcement that the league plans to hold its own election Oct. 26 to set up a Northern Italian Parliament?

A. I think the Italian government has been very tolerant of Mr. Bossi's extravagant ideas. But now he appears to be on the verge of breaking the law by holding this election. If he does, then he must be stopped.

Q. Turning to foreign policy, on Monday you will meet your European Union counterparts in Brussels. On the agenda is whether to send EU ambassadors back to Iran, five months after they were withdrawn because of the German court ruling that linked Iranian leaders to the 1992 assassination in Berlin of four Iranian dissidents. What will you recommend on Monday?

A. Now that a new moderate government has invited them back, it seems to us that we cannot continue to not have our ambassadors present in Tehran. They should go back as soon as possible because there is a new leadership, and a new departure in international relations is possible. But we cannot accept Tehran's request that the German envoy should return only after other EU ambassadors, because this is discriminatory.

Q. You met Secretary of State Madeleine Albright in Washington just before she left on her Mideast trip last week. Israel has turned down her demand to cease the building of Jewish settlements on occupied land. What should Israel and the Palestinians do, in your view?

A. It seems to me that the secretary of state is developing a very balanced approach. Of course, first and foremost it is essential that Palestinian authorities take a firm commitment to prevent terrorism. But at the same time, the Israeli government should accept a halt on any new settlements in East Jerusalem and the occupied territories. It is essential that Israel agrees the principle of land for peace.

•

Q. Italy is closer to Algeria than most other EU members except France. What should the European Union do about the violence in Algeria?

A. The current situation is unacceptable, and we have a moral responsibility to undertake serious initiatives, either directly or even through nongovernmental organizations. We must open a dialogue.

Q. As a former central banker and as someone who was a senior International Monetary Fund official for 13 years, what do you believe are the lessons of the recent Asian currency crisis?

A. With some variations, the Asian currency crisis is of the same nature as the problems experienced by Mexico in 1995. Substantial capital flows into the region have sustained economic growth and tended to prop up Asian currencies. The current problems prove that in an era of global markets, emerging countries relied excessively on fixed exchange rates.



Reuters

Mr. Dini believes the Refounded Communists will stay aboard.

Edward Scripps, Publisher, Dies at 88

New York Times Service

Edward Wyllis Scripps, 88, a newspaper executive and philanthropist who built a publishing company independent of his family's vast newspaper empire, died Sept. 4 at his farm in Charlottesville, Virginia.

Mr. Scripps was the chairman and president of the Scripps League Newspapers from 1931 to 1996. Jack Morgan, a former vice president of the newspaper chain, said it was started in 1921 by Josephine Scripps, Mr. Scripps's mother.

When Mr. Scripps became president in 1931, there were eight newspapers. He built the chain to 51 publications, mostly small newspapers like The Daily Herald of Provo, Utah, and The Newport Daily Express, in Vermont. The chain was bought by Pulitzer Publishing Co. in 1996.

Born in San Diego, Mr. Scripps was the grandson of Edward Wyllis Scripps, the founder of the Scripps-Howard Newspaper empire and United Press International. He served on the board of the Inter-American Press Association and was a president of its technical center, from 1955 until 1970.

Milton Rubincam, 88, American Genealogist

New York Times Service

Milton Rubincam, 88, a dogged researcher who spent the better part of his life exploring family trees, died Sept. 9 at a hospital in Washington.

Mr. Rubincam, who lived in Hyattsville, Maryland, was known as the dean of American genealogists.

His career was in the federal government, but in his free time Mr. Rubincam pursued his quest for ancestral authenticity.

He became a landmark at the National Genealogical Society, serving four two-year terms as its president in the 1940s and '50s, editing the society's quarterly journal, spending 25 years as its book review editor and turning out 2,000 reviews of his own. In the 1960s, he was the president of the exclusive American Society of Genealogists.

Robert Pinget, 78, Novelist and Playwright

New York Times Service

PARIS — Robert Pinget, 78, a Swiss-born novelist and playwright who first won recognition as a member of the Nouveau Roman literary movement in France in the late 1950s, died of a stroke in a hospital in Tours on Aug. 25.

Mr. Pinget published 14 novels, 11 plays and several books of essays and notes. He won a loyal following more for his body of work than for any single best-seller.

Mr. Pinget's novel "L'Inquisitoire" ("The Interrogation") won the French Critics' Prize in 1961, while another novel, "Quelqu'un" ("Someone"), won the Femina Prize in 1965. In 1987, he was awarded the Grand Prix National des Lettres.

BRIEFLY

Copter Crash Kills 10 Turks

DIYARBAKIR, Turkey — A Turkish military helicopter hit electricity cables and crashed Sunday, killing 10 soldiers on a mission against Kurdish rebels, security officials said.

They said the men died on the outskirts of the town of Gevas on the banks of Lake Van in eastern Turkey. The Anatolian News Agency quoted witnesses as saying the U.S.-made Sikorsky troop-carrying helicopter crashed and exploded. *(Reuters)*

6 Sentenced in Mubarak Case

CAIRO — An Egyptian court sentenced two publishers and the editor in chief of a London-based Arabic daily to one year in prison with hard labor on Sunday for libeling the sons of President Hosni Mubarak.

Two journalists working for the Asharq al Awsat newspaper got the same sentence. The five were fined 20,000 pounds ($5,900) each for publishing corruption allegations against Alaa and Gamal Mubarak. A third journalist convicted of the same charges was sentenced to six months in jail with hard labor and fined 15,000 pounds. *(Reuters)*

New Algeria Killings Reported

PARIS — Six civilians, aged 14 to 24, were found dead, their throats cut, during the weekend in the latest violence in Algeria, and security forces stormed a mosque in the capital and killed members of a a rebel group, Algerian newspapers said Sunday.

Liberte newspaper said the six civilians were killed Friday night in the Mazar area. The newspaper also said security forces killed four "terrorists" after a siege in a mosque in Chrarba district in Algiers. *(Reuters)*

For the Record

Hundreds of Zapatista guerrillas and tens of thousands of their supporters jammed Mexico City's central square after a four-day march in a show of unexpected strength for the waning Indian rebellion. *(Reuters)*

The Colombian Army has begun a major counterinsurgency drive in the southeast that the military chief, General Manuel Jose Bonett, described as the biggest offensive of its kind since 1990. *(Reuters)*

Public health authorities in Chile have confirmed that 11 of 19 people recently infected with the Hanta virus have died. *(AFP)*

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U.K. Woman Was Headless During Surgery

Compiled by Our Staff From Dispatches

LONDON — A surgeon severed a woman's head from her spinal column, briefly leaving it attached only by the spinal cord and major arteries, to fix a chronic bone problem.

The innovative 17-hour operation on Bridget Fudgell, 36, left her head pointing forward, correcting a condition called ankylosing spondylitis that had kept her head pointing down, almost fused to her chest.

"She was virtually a recluse — she couldn't look up and couldn't cross the road," said Julie Hendry, a spokeswoman at Frenchay Hospital in Bristol, western England, where the operation was performed by Steven Gill. "She couldn't eat or drink properly."

Her head was completely detached from the spinal column, Ms. Hendry said, then repositioned and reattached.

The operation took place in February, but Dr. Gill only presented it at the British Society of Neurosurgeons last week. *(AP, Reuters)*



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THE INTERMARKET Starts on Page 4

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Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Peace for Ulster

After years of fitful preparation, negotiations for peace are set to begin in earnest Monday in Northern Ireland. The Irish Republican Army has declared a new cease-fire, the British and Irish governments seem committed to ending the violent conflict and the largest unionist party, though hesitating, seems likely to participate in the talks in some form. If so, all sides would be present. Whether the citizens of Northern Ireland get the permanent peace they dearly want and clearly deserve depends on whether Protestant and Catholic leaders alike are willing to settle for something less than their ultimate goals.

The great effort required to remove the obstacles to these talks has obscured the difficult task ahead, which is nothing less than negotiating an end to the civil strife that has killed 3,200 people in the last 30 years. The talks are scheduled to end in May, although this date may slip if agreement is close. A peace accord would require ratification by the British Parliament and approval of voters in Northern Ireland and the Irish Republic.

The opening positions seem irreconcilable. Protestant leaders, who represent the majority of Northern Ireland's citizens, insist that the union with Britain be maintained and that the IRA permanently stop terrorism. Catholic leaders, including the Sinn Fein representatives at the negotiating table, have long demanded that the ties with London be severed and Northern Ireland reunited with the rest of Ireland.

To break free of this straitjacket, the negotiators should begin by searching for small steps to build confidence and trust. The most urgent is for the nationalists to reassure unionists by relinquishing some of the IRA's huge stockpile of arms. Sinn Fein was admitted to the talks with the tacit understanding that this would happen as talks proceeded. But last week, the IRA announced that it would not give up any arms until a final settlement was reached. Eventually all sides must disarm.

If some early progress can be made, the outline of a possible settlement is visible in a series of documents issued by the British and Irish governments since 1985. It would keep Northern Ireland part of Britain, while guaranteeing Catholics more equal treatment and closer ties with Ireland.

The changes would begin with the devolution of power from the British Parliament to a new local parliament in Northern Ireland, which is also happening in Scotland and Wales. Voting would be weighted to give Catholics the full representation they have been denied in the past. Catholics would also benefit from measures to correct historic discrimination. Jobs would be directed to Catholic areas to reduce Catholic unemployment, which is twice that of Protestants. The Royal Ulster Constabulary would also be reformed to use community policing and reach out to Catholics, many of whom see it as an occupation force. In addition, nationalists would win closer ties between Dublin and Belfast, perhaps in the form of joint boards to cooperate on issues like public health, agriculture, tourism, security and economic measures.

Few people expect that hard-liners on both sides, who have found both political comfort and financial profit in the conflict, will honor any agreement. But a settlement is likely to have widespread public support and communities may gradually marginalize the violent groups. In the end, both the behavior of the negotiating parties and adherence to any agreement depend on the desire for peace among Northern Ireland's citizens. That desire is strong. The leaders gathering in Belfast Monday would not be there were it not for the pressure for peace that is so palpable in Northern Ireland.

—THE NEW YORK TIMES

What Albright Didn't Do

Secretary Of State Madeleine Albright's public candor on the Middle East is refreshing. Visiting the region, she pronounced her trip less than a success: She did not get the Israelis and Palestinians even to the point where they can consider resuming negotiations. She hammered on Yasser Arafat to step up the struggle against terrorism, including "taking apart the infrastructure of Hamas." The Israelis she told to stop expanding settlements unilaterally. It's good to end the mumbling about procedure and let the parties know she won't return to the region just "to tread water."

Mrs. Albright, however, did not do the one thing the United States might do that goes beyond inducing the Israelis and Palestinians to talk and that actually offers a chance of contributing to an agreement. She did not close the telling gap in American policy — its failure to endorse the Palestinians' goal of a state. Instead, as American officials traditionally have done, she simply pledged her support for the Palestinians' "legitimate political rights" without defining what those rights might be.

This hesitation to accept the obvious and the necessary is what unbalances American diplomacy. The Clinton administration supports security and peace for the Israelis in many concrete ways but denies parallel support for the Palestinians' prime objective.

The administration takes this position out of a desire not to get too far out in front of Israel's seemingly irreducible resistance to Palestinian statehood. The strange thing is, however, that Washington may be behind the curve of Israel's own Likud government. Israeli authorities, including Prime Minister Benjamin Netanyahu, have been indicating they might accept a Palestinian state with sovereignty over its territory. These hints cannot yet be regarded as reliable expressions of Israeli policy. The suggestion is, nonetheless, that Israel is open to a Palestinian state with a flag, authority over almost all Arab West Bankers and what is called a "Jerusalem capital" in an undivided Jerusalem. Israel would insist on protections — heavy and intrusive protections — for its security.

It is not too early to start thinking how the United States might help encourage such a negotiation, difficult as it might be. This is where the possibility of a substantive American contribution needs to be explored.

—THE WASHINGTON POST.

On a Clear Night

Not long after the sun burns out, some five billion years from now, the galaxy we live in may collide, or intermingle catastrophically, with the Andromeda Galaxy (M31), 2.2 million light-years away. For now that galaxy remains pretty much where it has always been: a few degrees below and to the right of the conspicuous, W-shaped constellation called Cassiopeia, which lies halfway up the northeastern sky at bedtime this season of the year.

This could be a marquee event. Indeed, the impending collision of these two galaxies, with six or seven hundred billion stars and all their attendant worlds, is the kind of celestial happening that belongs on everyone's worry list. In fact, a person would do well to resolve to fret about nothing less significant than this event, compared with which the sun's flaming-out is a mere bagatelle. At least that is how it seems to someone when lying in a Wyoming hayfield looking up at the sky on a warm September night. In the near distance, the lights of Sheridan cast a benign glow, and in the far distance, M31 dispels its faint cloud of light. It is the kind of night in which the constellations seem like old friends. Scorpio, the Scorpion, has hooked its tail into the Bighorn Mountains. Delphinus, the Dolphin, surfs in the wave whose foamy crest is the Milky Way.

Sagittarius — the Bowhunter in this part of the world — lies at the place where the Milky Way plunges into the Bighorns.

In the cottonwood draw where Little Goose Creek flows, deer cough from time to time, and a great horned owl screeches punctually. A cricket in the hay stubble emits a pure, intermittent, staccato whine that could as well be the sound of some pulsar deep in the recesses of the universe.

It is almost time for Saturn to rise, a bright spot whose light is as ancient as the oldest stone tools ever found on Earth. Near and far, past and present, bisected only by the observer, seem almost to merge on a night this clear.

—THE NEW YORK TIMES.

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Time for Leadership on the Mideast and Bosnia

By Jim Hoagland

WASHINGTON — President Bill Clinton has carefully rationed his visible involvement in the two most volatile conflicts of his presidency, Bosnia and the Middle East. But turning points in both conflicts now demand a strong presidential commitment to halt the slide toward new hostilities.

Mr. Clinton cannot simply walk away from these conflicts and let the warring sides stew in their own murderous juices, however tempting that course may seem.

America is too deeply involved in the security of Europe, the survival of Israel and orderly commerce with the Middle East to become a passive bystander. Even without the shadow of the Cold War, turmoil in these regions disrupts U.S. management of its global alliance system with Europe and Japan and would inflict enormous costs on the world economy.

Bosnia and the Middle East have coincidentally reached dangerous dead ends at about the same time, over the same abstract if ancient issue: self-determination.

In her exploratory talks with Israeli and Palestinian leaders, Secretary of State Madeleine Albright confronted the reality that the confidence-building steps of the Oslo peace accord have turned into confidence-destroying measures in the hands of Yasser Arafat and Benjamin Netanyahu.

Mr. Arafat's betrayals and weaknesses on security for Israelis are manifest. But the big change to the process has been brought by Mr. Netanyahu's willingness to contemplate the creation of a Palestinian state on one condition only: that this state not have "unfettered self-determination," as he put it to me some months ago.

Mr. Netanyahu's view is not unreasonable in itself: The Palestinians will have to accept demilitarization and heavy Israeli involvement in border controls as the price of statehood. That would have been true under the previous Labor government as well.

But the Palestinian state Mr. Netanyahu would permit to emerge from final status negotiations would be a state in name only, lacking geographic or functional coherence. This perception has helped undermine Mr. Arafat, who is now neither the solution nor the problem for Israel but an irrelevance, as Hamas and other radical groups grow stronger.

Until now the Clinton administration has refused to adopt a position on a Palestinian state, not least because Washington did not want to back an outcome that it was not sure it could deliver.

This leaves Washington in the position of being less positive about Palestinian statehood than is Mr. Netanyahu.

But as Henry Kissinger and others have pointed out, Palestinian statehood is now on the agenda of any serious Middle East peace effort. American willingness to work with Mr. Netanyahu and Mr. Arafat on creation of a state that would not endanger Israel is the stick of diplomatic dynamite that could break open the Middle East logjam.

Mr. Clinton should offer a presidential commitment to do this. He needs at the same time to protect Jordan's sensitivities and the possibility of a three-state confederation in the near future.

Mr. Clinton is well positioned to emphasize that this is a practical political solution to a crisis.

That same practical approach to self-determination applies to Bosnia. The presence of American and other troops in Bosnia has stopped the killing and eased intolerable strains within the Atlantic alliance. Those objectives are still worth pursuing by extending that military presence beyond next June's deadline for an allied pullout.

Critics led by Senator Kay Bailey Hutchison, Republican of Texas, are urging Mr. Clinton to renounce "nation building" in Bosnia and to support formal partition of the country's Serb, Muslim and Croat areas.

Only then, she says, will the critics support keeping U.S. troops there, in a less open-ended peacekeeping role.

De facto partition of Bosnia is an acceptable outcome to the United States if it can be accomplished peacefully, on the ground.

This possible outcome is obscured by the rhetoric of Dayton but is implicit in the logic of the accord. A renunciation of the pact's rhetorical cover by Mr. Clinton, as demanded by Senator Hutchison, would be premature and dangerous. He needs instead to build support at home for a new extension for the peacekeeping force.

Burned by an early overemphasis on nation building in Somalia, Mr. Clinton has been cautious in his use of American and diplomatic power abroad. He has resisted entanglement in big-picture doctrines, preferring ad hoc approaches on foreign policy to abstract conceptualization.

But now is the time for bold and visible leadership, working for change in the Middle East and continuity in Bosnia. This is the stuff of presidential legacies.

The Washington Post.

Engagement With China Is the Wisest Course for America

By Joseph S. Nye Jr.

SINGAPORE — National interests can change over time, and that is true for China as well as the United States. Every country has a wish list that is like a menu without prices. Defining national interests in concrete situations involves understanding constraints and prices.

Left to itself, China would probably like to force the return of Taiwan, ensure its dominance of the South China Sea and be recognized as the primary state in the East Asia region. But Chinese leaders have to consider prices and constraints. Those constraints come from other countries, and from trade-offs among China's own objectives.

Given the priority Beijing attaches to economic modernization and the reliance of the Chinese economy on external markets and resources, China faces a constraint of its own making. It also faces a constraint from the reality of American power, which is unlikely to vanish. Finally, it faces constraints in terms of its relations with other countries in the region.

In the real world, it is quite common for countries to redefine their interests. For instance, in the early 1980s, China defined its interests as avoiding involvement with the nuclear nonproliferation treaty; in the 1990s, with some minor exceptions related to its history with Pakistan, China defined its interests as adhering to the treaty. Similarly, in 1995 China defined its interests as avoiding a treaty banning nuclear weapons testing; in 1996, at the risk of becoming isolated and losing face with other countries, China redefined its interests and signed that treaty, too. Obviously, how China's national interests will evolve will depend on the policies of the United States and of China's neighbors in Asia and the Pacific.

The Clinton administration describes its policy toward China as "constructive engagement," but the debate between "containment" and "engagement" is overly simple. Engagement is more an attitude than a detailed policy, and creating constraints is a natural part of any well-designed policy.

Despite the descriptive inadequacy of the slogans, however, the orientation of attitude that "engagement" signifies does matter. It means that the United States has rejected the inevitability of conflict. Mr. Clinton has told President Jiang Zemin of China that "a stable, open and prosperous China" — in other words, a strong China — is in America's interest. "We welcome China to the great power table. But great powers also have great responsibilities."

The United States has also reaffirmed its commitment to a "One China" policy, thus ruling out any flirtation with the idea of independence for Taiwan — the single most dangerous scenario for potential conflict between the United States and China. The United States remains committed by law and policy to ensuring that Taiwan cannot be taken over by force, but not to defending an independent Taiwan.

Engagement does not prescribe how to handle hard issues like Taiwan, trade or human rights. It did not preclude the United States from sending two aircraft carriers to waters off Taiwan in 1996 when China was staging ballistic missile tests and military exercises close to the island ahead of its presidential elections. Nor did it preclude the United States from insisting on proper conditions for its objective of fostering Chinese entry into the World Trade Organization.

Chinese complain that engagement is ambiguous, difficult to understand and sometimes looks like containment. For instance, they complain strongly about the reaffirmation of the U.S.-Japan security treaty. The American alliance with Japan, where the largest number of U.S. troops in East Asia are stationed, is critical to U.S. strategy.

In April 1996, Mr. Clinton and Prime Minister Ryutaro Hashimoto of Japan publicly affirmed the work of a joint group that redefined the bilateral security treaty as the basis for stability in the region after the Cold War. That reaffirmation may turn out to be one of the most important policy developments for the Asia-Pacific region. It means that China cannot play a Japan card against the United States, or try to expel the Americans from the area. From that position of strength, the United States and Japan can work together to engage China as its power grows in the region.

No one can be sure that the constructive engagement strategy will work. History has its ironies and accidents. But the strategy is better than any of the alternatives. It builds on current investments and strengths. It is reversible if conditions change. An aggressive China could stimulate a new policy.

The strategy builds on current investments and strengths. It is reversible if conditions change.

How China will behave as its power grows is an open question. Unconstrained, it might well wish to expel the U.S. military presence from East Asia and exercise hegemony (despite its expressed distaste for the concept) over its neighbors. But in the real world of constraints, states can learn to define their interests in practical ways.

The United States will remain the largest power in the world well into the next century. The American presence in East Asia provides a stability which, in the absence of other institutions, has benefits for all countries in the region. The strategy of engaging China as a responsible major power opens a future of joint benefits.

So long as the United States exercises its power in a reasonable way so that other countries, including China, continue to benefit from the stabilizing effects, and so long as America invests wisely to maintain its power resources, it is unlikely that any country or coalition will be in the position of a strong challenger.

In that sense, the prospects for avoiding conflict with China look better the more the United States maintains its strength in the East Asia region, and avoids the counsel of pessimists about the future of China and the United States who would seize the moment to create self-fulfilling fallacies.

This comment was adapted by the International Herald Tribune from a Sept. 14 address by the writer to the annual conference of the International Institute for Strategic Studies. Mr. Nye, a former U.S. assistant secretary of defense for international security affairs, is dean of the John F. Kennedy School of Government at Harvard University.

A Latin American Bosnia: 'Dirty War' Rips Colombia Apart

By Ana Carrigan and Robert O. Weiner

NEW YORK — "Your time has come. ... We have come to clean up this region just as we are doing in other provinces, and we will start with you. We know your movements very well. We are following step by step."

This threat was not issued by Serbs engaged in ethnic cleansing in Bosnia. It came from paramilitaries in Colombia who slaughter civilians in that country's growing civil war. The reality it reflects should cause the international community to recast the common image of Colombia as a cocaine republic whose civilian "democracy" has been corrupted but whose military, committed to the rule of law, remains steadfast with its American ally in the war on drugs and leftist guerrillas.

Colombia, in reality, is something different: a failing state where murderous warlords, with the tacit cooperation of the military and narco-trafficking organizations, have pushed the country toward de facto partition. In the process they have marginalized many of Colombia's democratic institutions.

Colombia is tearing itself apart. It is fast becoming a Bosnia, or the closest thing to it in the hemisphere. There are three parties to Colombia's struggle:

Private paramilitary armies: Sponsored by wealthy landholders and protected by the regular Colombian army, they now operate with murderous impunity across half of the national territory.

Left-wing guerrilla organizations: Long the de facto authority wherever the state failed to establish its presence, they have expanded their reach to more than half the nation's rural municipalities. They kidnap wealthy foes, extort "war taxes" to fund their activities and mete out their own brand of justice, contributing to a third of Colombia's political killings.

The government: Increasingly irrelevant, it is struggling to regain its authority over the military and its ability to protect the people.

It is in this situation that the United Nations set up a human rights field office in Bogota in May. Its job is to ensure official compliance with UN recommendations on human rights.

Ensuring the success of this delicate mission will be among the complex and urgent challenges facing the new High Commissioner for Human Rights, President Mary Robinson of Ireland. Her work is cut out for her. The "dirty war" in Colombia — the great exception to Latin America's phoenixlike emergence from dictatorship and civil war — has exterminated or driven into exile a generation of grass-roots leaders, and is producing human suffering on a scale reminiscent of Europe's worst chapters.

As was the case in Bosnia, civilians are the main target in this struggle, with the paramilitaries inflicting some 60 percent of the casualties.

Warlords, with the tacit cooperation of the army and narco-trafficking groups, have pushed the country toward partition.

Colonel Carlos Alfonso Velasquez, the former No. 2 commander in northern Colombia — he was cashiered by the high command last December for criticizing official failure to address the savagery of the paramilitaries — says the military has adopted a logic that regards civilians in contested zones as part of the guerrillas' political structure. The paramilitaries massacre these civilians, fulfilling the military's desire for high guerrilla body counts and enabling their sponsors to consolidate and expand their land holdings.

The killing is displacing families on a scale never seen south of the Panama Canal. Unicef reported earlier this year that one million Colombians — about one out of every 40 citizens — have been forced from their homes.

Out of the war zones of rural Colombia virtual rump republics are emerging, accountable only to paramilitary warlords — to men like the cocaine millionaire and landowner Carlos Castano. Described by Newsweek as "Latin America's most notorious death squad leader" and by the U.S. State Department as a "known drug trafficker," Mr. Castano is the most powerful of a dozen or so paramilitary chieftains who operate autonomously yet increasingly see the benefits of working together to maximize their political clout.

The Ratko Mladic of Latin America, Mr. Castano has murdered his way to control of a neo-feudal empire stretching across half of Colombia.

In Mr. Castano's criminal career can be traced Colombia's institutional collapse. According to Colombian prosecutors, he was a star pupil at notorious hit-squad training schools, sponsored by the Colombian Army, funded by the Medellin cartel and run by Israeli and British mercenaries. The school's graduates delivered protection for the drug barons' properties and provided the army with cover for "dirty war" practices. Later, Mr. Castano switched allegiance to the Cali cartel when the Cali capos joined with the state's security forces to destroy their chief rival, the Medellin druglord Pablo Escobar.

Despite several arrest warrants for murder, Mr. Castano enjoys a spotless criminal record. He has never been arrested. When reporters from The New York Times and Newsweek arranged to visit and interview Mr. Castano this spring, he noted blithely that the local army base was "just over the hill" from his headquarters.

With the civilian political opposition decimated by four decades of murderous power-sharing schemes among corrupt elites, the struggle against violence and impunity has fallen almost exclusively to human rights groups.

Ten years of dogged research and advocacy before the UN have begun to pay dividends. The Colombian government, bombarded by critical reports and recommendations from every expert body in the UN system, reluctantly agreed to permit the High Commissioner to establish an office in Bogota.

The office faces two main obstacles: Nativists and demagogues have attempted to whip up resentment against the UN's presence in Colombia, while the government seeks to put a political spin on the High Commissioner's role that would downplay serious public scrutiny.

And, like other offices of the High Commissioner, the Bogota office has been hampered by an institutional vacuum in Geneva, the home of the UN's Human Rights Center. Nominally responsible for giving direction and support to its missions, the Geneva center has been remarkably ineffective.

Mary Robinson will need to revitalize Geneva's human rights structures if the new office in Bogota is to succeed. By so doing she would maximize the chances of the UN intervention's leading the Colombian government to dismantle the paramilitaries, confront the military's impunity, clean up an abusive justice system and restore the rule of law.

Ana Carrigan is a free-lance writer and the author of "The Palace of Justice: A Colombian Tragedy." Robert O. Weiner coordinates the Latin America and the Caribbean Program of the Lawyers Committee for Human Rights. This comment was contributed to the Irish Times (Dublin) and to the Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Balzacian End

PARIS — The career of Angélique Cruchot might have been taken from *Splendeurs et misères des courtisanes*. Certainly Balzac's masterpiece contains many such lives. Cruchot sprang from the common people, became famous as the Comtesse de Montignon and died from a fractured skull in the moat of the fortifications on the Montreuil side of Paris. Her hour of prosperity was under the Second Empire, but her beautiful castle of cards was overthrown when the war broke out. A large number of papers, photographs and autographs, which she often produced in support of her statements, have been burnt in accordance with her will.

1922: Ship Captured

NEW YORK — Prohibition agents have captured the British schooner Gardner just outside the harbor and have confiscated ninety-six cases of liquor. The Customs officers say she was within the three-mile limit, but the captain declares he was boarded twenty-five miles off shore. The ship also was reported to have had codebooks containing the names of prominent hotel owners. The captain denies he was engaged in illicit trade.

1947: Luxury Scam

FRANKFURT — Alleged to have dealt in cars and diamonds and to have sent thousands of dollars of illegal profits to the United States, Mrs. Ann Bachman has been accused by the American Army of being the "brains" in a black market ring. At present serving a ten week jail sentence for attacking a Frankfurt taxi driver with a fountain pen, Mrs. Bachman, together with her husband and a sergeant living in the same house, is to be tried soon in a military court.

LANGUAGE

Excuse Me, Madam, He Says He's Adam

By William Irvine

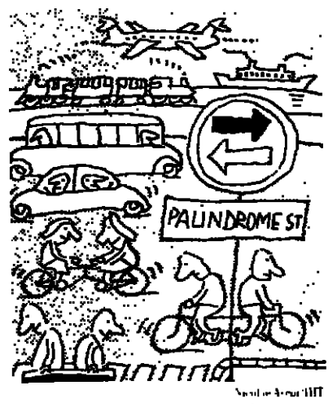
NEW YORK — Inventing palindromes — words or phrases that read the same coming or going — has been a worthwhile way to waste an afternoon since at least the third century B.C., when Sotades created his first palindromic sonnet. It takes patience, but the results are often surprisingly rewarding.

Sometimes the best palindromes just appear out of thin air: Logophiles everywhere were as elated about the victory of *Anna Camna* in the New York City Marathon as they were saddened by the death of Mr. Shakur (*Tupac's caput*).

Before sharpening your pencil, study "I Love Me, Vol. I" (Algonquin Books of Chapel Hill), by Michael Donner, a scintillating new encyclopedia of palindromic phrases. In it are such compelling examples of the art as *slob mystic ate tacit symbols* and *ah! a Mayan on a Yamaha!*

Some of the best palindromes are imports. The French, for instance, are crazy for them. Among my favorites: *Eh, ca va, la vache?* (How's the cow?), *Tu l'as trop ecrase, Cesar, ce Port-Salut* (Cesar, you overcrushed the Port-Salut), *A l'autel elle alla, elle le tua la* (She went to the altar and killed him there).

Macaronic verse, in which two or more languages are interwoven, one of which is traditionally Latin, is one of the most exotic kinds of wordplay. The form dates to the 16th century, when Teofilo Folengo published a poem called "Liber Macaronices" (1517) that combined macaronic Latin with elements of Italian and Lombard dialect.



While there is not much call for macaronics nowadays, its cousin the homophone is alive and well. Connoisseurs of the Franglais humor in F.S. Pearson's splendid "Fractured French" books will appreciate Ormonde de Kay's classic "N'Heures Souris Rames" (Clarkson Potter), in which the author has constructed French poems that, when read aloud, sound like English Mother Goose rhymes (*Roc a bail hey his, on detruit tape*).

Two of the most entertaining (and frightening) scholarly journals are good reading for lovers of wordplay. Word Ways: The Journal of Recreational Linguistics, a quarterly, publishes articles by both serious amateurs and linguists in a manner that is erudite, informative and accessible.

Recent issues featured such topics as palindromic names of real people (including Oyo Oyo, former member of the international football federation; good old Lon Nol of Cambodia; and the lesser-known U Nu, the Burmese prime minister from 1947 to 1962) and a round-table discussion about generational perception of references to popular culture in New York Times crossword-puzzle clues.

For those who are just hateful, horrible, unreconstructed and politically incorrect, there is Maledicta: The International Journal of Verbal Aggression, a Beelzebubian biannual that could only be described as scabrous.

Maledicta's mission statement describes it as specializing in "uncensored studies of offensive and negatively valued words from all languages and cultures," and this is certainly a case of mild understatement. Yet it is compelling and often hilarious.

Consider the scholarly treatise on "Domino's Pizza Jargon," in which the author clues us in to the in-house glossary of pie making. (An Edgar Allen pie? Pepperoni and onions: P.O.) There is also a 30-page graffiti treatise entitled "Dutch Soldiers' Latrinalia," a translation of Mozart's later letters presented as evidence of his Tourette's syndrome (and very convincing it is), and an analysis of British phone sex advertisements. Perfect reading for an Indian summer afternoon!

William Irvine, the author of "Madam I'm Adam" and "If I Had a Hi-Fi," is an editor at House Beautiful. William Safire is on vacation.

New York Times Service

BRIDGE

By Alan Truscott

TO test yourself on the defense of the diagramed deal, cover the East and South hands. You are West defending two no-trump after South has opened one no-trump, showing 15-17 points, and subsided following a stayman response. You lead a spade and dummy's queen is played, won by East with the ace. He returns the three, and you capture South's nine with the ten. Now your six brings your partner's jack and South's king, with dummy throwing a heart.

South leads the club king and you hold up your ace. You win it next time when the queen is led, and notice that your partner throws the diamond deuce. You are now looking at the position below:

The routine move is to cash the spade winner and lead a heart, since partner has discouraged in dimonds. But partner's signals are suggestions, not commands, and should not be obeyed blindly.

West must keep thinking. He knows from the bidding the South began with 15 points, of which 8 have appeared in the black suits. If South's 7 red points are king of hearts and king-jack of diamonds, the defense has an easy six tricks.

But he might have ace of hearts and king of diamonds, in which case the fate of the contract is in the balance. It would be fatal to play the spade winner, since South would be able to discard a club, unblocking the suit and eventually scoring dummy's clubs for eight tricks. It is vital for West to lead diamonds at every opportunity. As the cards lie, this defense drives out the diamond ace before South can clear clubs.

This is the only successfull defense.

NORTH
♠ —
♡ Q J 6
◇ A 7
♣ 8 7 6

WEST
♠ 8
♡ 10 5 4
◇ Q 10 3
♣ J

EAST
♠ —
♡ —
◇ —
♣ —

SOUTH
♠ —
♡ —
◇ —
♣ —

NORTH
♠ Q 2
♡ Q J 6 2
◇ A 7
♣ 8 7 6 4 2

WEST
♠ 10 8 6 4
♡ 10 5 4
◇ Q 10 3
♣ A J 3

EAST
♠ A J 7 3
♡ K 9 8
◇ J 8 5 4 2
♣ 5

SOUTH (D)
♠ K 9 5
♡ A 7 3
◇ K 9 6
♣ K Q 10 9

Both sides are vulnerable. The bidding:

South	West	North	East
1 N.T.	Pass	2 ♣	Pass
2 ◇	Pass	2 N.T.	Pass
Pass	Pass		

BOOKS

RAYMOND CHANDLER
A Biography

By Tom Hiney. Illustrated. 310 pages. $26. Atlantic Monthly Press

Reviewed by Ben Brantley

HERE is Philip Marlowe — the fictional detective, prototypical lonely guy and spawner of as many imitators as Elvis — considering an explanation for a crime in "The Big Sleep" (1938), the first novel in which he appears: "It seemed a little too pat," he recalls thinking as he sat in his office on what was of course a rare rainy day in Los Angeles. "It had the austere simplicity of fiction rather than the tangled woof of fact."

And so the explanation turns out to be not even half of the whole messy story. No way would Raymond Chandler, Marlowe's creator, give his hero a mystery that could be reduced to the sort of precise, geometric formulas Agatha Christie specialized in. Or, for that matter, a conclusion that readers could absolutely be sure they understood.

When the director Howard Hawks was working on the movie version of "The Big Sleep," he famously cabled Chandler to ask him who exactly had killed one of the book's violently dispatched victims. Chandler's response: "No idea."

Like his writings, Chandler's life was a "tangled woof" that doesn't deconstruct naturally, something that any biographer of the novelist has to reckon with. Start with the consideration that this originator of a brooding American archetype (and for better or worse, one of the most influential of American writers) was, though born in the United States, educated almost entirely in England and fought for the British in World War I.

He was a wild alcoholic with an upper-class schoolmaster's manners, a relentless denigrator and aggrandizer of his own work, a gentlemanly caretaker of a wife nearly two decades his senior and the inventor of a tough gumshoe who spouted ornate metaphors and whose cynicism was of a most romantic strain. The contradictions are easy to enumerate, less so to reconcile.

Chandler himself had a low opinion of literary biographies. "Who cares how a writer got his first bicycle?" he wrote to his British publisher, Hamish Hamilton. He might not have objected too strongly, however, to Tom Hiney's "Raymond Chandler: A Biography," a modest, compact and reader-friendly overview of a complicated man and his times that has the virtue of interpretive restraint.

Hiney, a London journalist in his late 20s, has no analytical axe to sharpen here, nor much in the way of new revelations or insights. And his book couldn't possibly have the impact or shock value that Frank McShane's "Life of Raymond Chandler" did in 1976, with, if nothing else, its revelations about Chandler's drinking habits.

Hiney does, however, have a clear, unpretentious style; a judicious, if occasionally strained, sense of the importance of historical context, and a partisan respect for his subject that stays shy of the excesses of idolatry. He avoids (and it's a serious danger) being infected by Chandler's deep purple lyricism.

The book also takes full advantage of Chandler's status as an indefatigable correspondent and essayist and wisely lets his voice dominate.

Chandler didn't start writing fiction until he was in his late 40s, after an odd and varied career that included a lucrative period in the oil business, set off by a nomadic lifestyle (he and his wife, Cissy, changed residences on an average of once a year) that would persist until his death in 1959. And because he was an unreliable retailer of his own past, his biography becomes fully vivid only after his fame has arrived, and his life begins to be documented by others.

Hiney picks a ripe medley of anecdotes and observations to portray Chandler's fabled period as a Hollywood screenwriter, during which he wrote "Double Indemnity" with Billy Wilder, and his saturnine retirement to La Jolla.

And the book's last chapter is both riveting and upsetting in its description of Chandler's drink-addled final five years, after the death of his beloved Cissy, for whose substitute he vainly and desperately searched.

New York Times Service

CROSSWORD

ACROSS

1 Amo, ——, amat (Latin practice)
5 College prep exam
9 Thin and bony
14 Singer-actress Lorna
15 "Picnic" playwright
16 Daddy Warbucks's little girl
17 Prefix with phobia
18 Years and years
19 Get together
20 Demonstrate affection like a plumber?
23 Saharalike
24 —— Khan (ex of Rita Hayworth)
25 Place to park a car
29 French cheese
31 Krazy —— of the comics
34 "Tiny" Albee character
35 Tugboat sound
36 Prefix with dynamic
37 What a plumber says to noisy kids?
40 Days before big events
41 Bands bookings
42 Preferred invitees
43 TV room
44 Therefore
45 Vertebral columns
46 Exploit
47 Gloomy guy
48 Declines, as a plumber?
56 Where Leonardo was born
57 Oklahoma city
58 Atmosphere
59 Part of the pelvis
60 Sicilian blower
61 Ribald
62 "E pluribus unum," e.g.
63 Like a busybody
64 Dummies' replies

DOWN

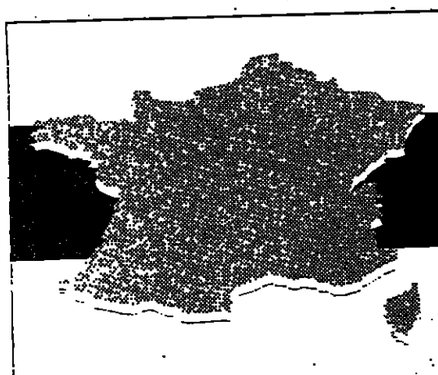
1 "Woe is me!"
2 Lots of
3 60's hairdo
4 Put away
5 South Dakota's capital
6 Very white
7 Lambs: Lat.
8 Experiment
9 Charles de ——
10 Bother
11 Purdue, e.g.: Abbr.
12 Evening, informally
13 Golfer's gadget
21 Made a border
22 Port-au-Prince's land
25 Stared openly
26 Breathing
27 Get ready to be picked
28 One-spots
29 Beatnik's drum
30 Paddles
31 Enter, as computer data
32 Got up
33 Praises loudly
35 Branch offshoot
36 "—— Wanna Do" (Sheryl Crow hit)
38 Monsters
39 Run out, as a subscription
44 Igloo dweller
45 Half a weekend
46 Not abridged
47 Procures
48 Where fodder is stored
49 Monogram unit: Abbr.
50 High schooler
51 "I'm —— you!"
52 Voting district
53 Meal on Maui
54 Mezz. alternative
55 Paths
56 Energy

Solution to Puzzle of Sept. 12

R	A	T	E	L		C	L	A	P	T	R	A	P	
E	L	E	V	E		H	O	M	E	M	O	V	I	E
S	T	A	I	N		A	M	E	R	I	C	A	N	A
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T	E	R		E	R	M	A		U	N	O	C	A	L
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S	M	U		E	N	L	I	S	T			E	F	T
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Puzzle by Stephanie Spadaccini

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CHINA: *A Bid to Modernize*

Continued from Page 1

equipment at reasonable prices.

"The key question, however, is how quickly new imports and investments will remedy the current defects of Chinese military forces," he said.

"For instance, having first class long-distance fighters or even an aircraft carrier does not ensure dominance of the South China Sea unless logistics and command and control are adequate to the task."

As one of only five declared nuclear weapon states, with an arsenal of 8,000 tanks, 5,700 fighters and bombers, 50 submarines and 55 destroyers and frigates, 14 intercontinental ballistic missiles and 60 intermediate range missiles, China looks impressive on paper for its military strength.

But foreign experts say that much of the Chinese equipment is old and poorly maintained.

"China is still unable to maintain its military equipment adequately," said Paul Dibb, a former senior official in Australia's defense and intelligence establishment who heads the Strategic and Defense Studies Center at the Australian National University in Canberra.

He said that despite improvement in some important areas, the effectiveness of the Chinese military remained limited by the widespread obsolescence of its weaponry and its reliance on outdated technologies derived from the former Soviet Union.

"Practically all the equipment is 10 to 20 years behind levels in the West and, if anything, the technological gap between China and the U.S. is widening," Mr. Dibb said. "China is trying to remedy these deficiencies through selective purchases of Russian submarines, warships and fighters, as well as seeking to acquire airborne early warning and control aircraft and in-flight refueling capabilities."

Even more worrying for Chinese leaders is the wide gap they must close with the West and Japan if they are catch up in key areas of modern warfare.

Mr. Jiang said Friday that the manpower cuts would free more resources for military-related science and technology so that weapons and equipment could be upgraded.

Mr. Dibb said that although China was likely to make progress in some areas, the United States was the established world leader in key technologies of modern warfare.

"For the U.S. and its close allies, there will be enhanced confidence in being able to prevail militarily if challenged," he said.

"China's inability to catch up, or even narrow the gap, should serve to reinforce a sense of caution about military adventurism, although foreign powers will also have to be more careful about operating close to China's shores."



Mohammed Azakir/Reuters

ISRAELI TROOPS KILLED — Hezbollah fighters near Iqlim al Tuffah, southern Lebanon, over the weekend. Two Israeli soldiers on patrol near Tyre were killed Sunday by a roadside bomb set off by Hezbollah.

VIETNAM: *A Leadership Paralyzed by Economic Malaise*

Continued from Page 1

He added, "But they are not locked into the system they currently have."

A Western economist here agreed, saying the much-touted economic reform policy, called *doi moi*, or renovation, started a decade ago, has finally "run out of steam."

In reality, despite their name, Vietnam's Communists already have jettisoned most of the ideological and rhetorical baggage associated with doctrinaire Marxism-Leninism — pulling out the old phrases of fraternal brotherhood only for officials visiting from Cuba, for instance. Lenin's statue still stands in a park here, but around him are all the trappings of the country's rapid embrace of capitalist consumerism: new cars, motorcycles and scooters, fast-food restaurants and ice-cream parlors, discos and karaoke bars.

But on one crucial point the leaders cannot seem to let go of old ideas: the belief that the state, not the private sector, should control key sectors of industry. Vietnam has more than 6,000 state-owned enterprises, from steel mills to coal mines to salt makers. Most of those state firms operate with major losses, and many are technically bankrupt, kept afloat by huge government support.

The Vietnamese leaders have opted not to go for an all-out privatization campaign, as urged by international lenders and others, but instead for a model of "state-led growth." As an alternative, the government has espoused a policy of "equitization" — reducing state assets in money-losing firms but not relinquishing control. Less than a dozen state firms have been "equitized," however, since the plan was instituted four years ago.

One area that dramatically illustrates the financial failings of the state sector is the steel industry. Vietnam is overproducing costly steel — even though imported steel from Russia is far cheaper — leaving huge, unused stockpiles. One firm, Vietnam Steel Corp., was reported in the local press to have lost $1.2 million in the first six months of this year. But cutting back steel production would mean huge layoffs and the possibility of social instability.

There are other problems. The legal system is in its infancy — signed contracts rarely can be enforced. Corruption is rampant. Copyright violations and trademark infringements are commonplace, and they often involve state companies. Basic infrastructure is still rudimentary, not only in terms of roads and bridges, but also in the agricultural sector where farmers still dry grain on plastic sheets on the edge of highways.

The problems, and the government's seeming inaction, have led to a sharp decline in foreign investment, particularly among American firms that rushed here after President Bill Clinton normalized diplomatic relations with the former U.S. enemy in 1995. By the end of 1996, the United States had jumped from virtually zero commercial involvement to become Vietnam's sixth-largest investor. Now the United States has slipped to the bottom of the top 10.

One of the few official mantras still largely intact in Vietnam is the firm belief in leadership by consensus. In practice, that has meant maintaining a delicate balance among the various, often competing forces and institutions that compose the ruling elite: the army, the security forces of the Internal Affairs Ministry, the Communist Party with its extensive apparatus and the myriad government ministries.

This method served Vietnam well during its long period of war against the French and then against the Americans and their South Vietnamese allies. But in today's open and complex economy, the search for consensus at the top too often has meant policy gridlock.

National Assembly elections in July, however, were seen as a sign that the government is willing to tolerate more competition, if not outright democracy, in a limited political life. Independent candidates not aligned with the Communist Party were allowed to run — albeit after being approved by the party — and 61 legislators in the new 450-seat assembly will be nonparty members.

Another sign, diplomats said, was the surprise decision this month to free from prison one of the country's most prominent dissidents, Pham Duc Kham.

A Mood of Optimism Takes Hold in Ulster

For First Time, All Parties to the Conflict Are Eligible to Participate in Peace Talks

By Dan Balz
Washington Post Service

LONDON — George Mitchell, chairman of the negotiations aimed at ending a generation of sectarian conflict in Northern Ireland — and a person who is rarely careless with his choice of words — says he is "more hopeful than I've been at any time in the past two and a half years."

On Monday afternoon, the peace talks will open formally in Belfast and, for the first time, all parties to the conflict will be eligible to participate.

Mr. Mitchell said by telephone from the United States before shuttling once again back to Northern Ireland: "I don't want to sound unrealistic or naive. There are tremendous difficulties ahead. But it's clear the people of Northern Ireland want this resolved."

Major problems cloud the opening of the talks, and yet there is a guarded sense of optimism that conditions now may exist to push the talks forward — even if slowly.

For three decades, the people of Northern Ireland — the Protestant majority and the Roman Catholic minority — have fought a civil war that has taken more than 3,000 lives, many of them civilians.

Now Prime Minister Tony Blair of Britain, working closely with Prime Minister Bertie Ahern of Ireland, has established a timetable designed to produce a peaceful resolution that has eluded the parties for so long.

Mr. Blair's schedule is seen as overly optimistic — he said he wanted talks to begin in September and to conclude in May. But the push he has given to the negotiations is just one of the factors that have come together to create movement in the long-stalemated process that has given rise to Mr. Mitchell's sense of hopefulness.

There are 10 parties and two governments involved in the talks. A majority on each side of the table must agree before there can be any resolution, which makes the process cumbersome at best.

Two big question marks hang over Monday's opening. The first is whether the largest of the Unionist parties, which generally speak for the Protestant majority, will be at the table.

The Unionists are wary of entering into face-to-face talks with representatives of Sinn Fein, the political arm of the outlawed Irish Republican Army, but they are under enormous pressure not to abandon the talks entirely at this delicate moment.

David Trimble, leader of the Ulster Unionist Party, said Saturday that it would decide Monday morning what role, if any, it would play.

But he hinted that the party, whose participation is critical, would be involved in some way, even if it engaged in what are called "proximity talks," meaning they would be in the same building but not in the same room with representatives of Sinn Fein.

The second question mark involves Sinn Fein and the IRA. Last week, the Sinn Fein president, Gerry Adams, endorsed a series of principles set out earlier by Mr. Mitchell as conditions for participation in the talks.

Chief among them are a renunciation of violence and a commitment to resolving the long conflict by democratic means.

But two days later, an official of the IRA expressed reservations over the Mitchell principles and said the IRA did not feel bound by them.

The IRA's declaration last Thursday has only hardened the resistance of the Unionist parties, several of which already have announced they will not participate in the talks when they open Monday.

Mr. Blair tried to reassure them over the weekend. "I will not stand for any attempt to use violence, or the threat of violence, to influence the talks process or the outcome of the negotiations," he said in an article in a Unionist publication.

But he also restated his determination to move the talks forward. "The settlement train is leaving next week, in an environment now free of violence," he wrote. "I hope everyone will be on it."

Sinn Fein was invited to the talks only after the IRA declared a cease-fire in July that British government officials have said now they believe to be genuine.

But it was the second truce announced by the paramilitary organization; the first lasted only 18 months, and the Unionist parties doubt the sincerity of this latest one.

The Unionists prefer to see the IRA begin to surrender some of its arsenal before talks begin, a course that has been rejected by Sinn Fein.

The issue of weapons "decommissioning" will be handled in separate but parallel talks.

As Mr. Mitchell has said repeatedly, there has been a cease-fire with no negotiations, and negotiations with no cease-fire. Monday will mark the first time there will be talks and a cease-fire at the same time.

BOSNIA: *A Show of Force for Elections*

Continued from Page 1

onistic enclaves or to release the grip on power by nationalist hard-liners.

[With only three hours of polling to go, the Organization for Security and Cooperation in Europe said turnout had been very high despite the efforts of hard-line nationalists to undermine it, Reuters reported.

["Nationalists beyond democratic forces, the war criminals, they all resisted this process," said David Foley, an OSCE spokesman. "They tried to block these elections, they tried to boycott these elections, they tried to disrupt these elections. But the voice of the people will be heard. To those who say there is no progress in Bosnia, to those who say that ethnic divisions are as deep as ever, today the people of Bosnia have given their answer. They say: 'Think again.' "]

Critics of the vote said sanctions will probably not be enough to force nationalist leaders to abide by the results, especially since many have amassed great wealth in their positions.

The Dayton peace agreement, the critics said, rather than fostering a process to move Bosnia toward democratic rule and a multiethnic society, has resulted in a series of NATO-managed events that have failed to alter the dismal political landscape.

"What we will most likely end up with are a number of governments-in-exile," said a Western diplomat. "These elected officials will not even be able to visit the towns they are supposed to administer. Power will remain in the hands of those who have always had little regard for the peace agreement or the democratic process."

The 34,000-member NATO-led peacekeeping force sent out heavily armed patrols, stationed troops in armored personnel carriers at polling places and crossroads and had helicopters buzzing over much of the country.

The deep divide among the three ethnic communities was in evidence as they wrangled over the voting.

The Bosnian Croats refused, for example, to permit polls to open in the center of Zepce and Tesanj, which once had Muslim majorities. In Sarajevo, where the majority Muslim population hopes to see a common administration for Bosnia, a powerful bomb blew the front off the Croatian party headquarters Friday night.

And in Mostar, Muslims at first boycotted the vote after international officials agreed with the Croats not to hold voting in the important central district of the divided city. A Muslim official was reported to have said later that they had worked out an arrangement with the Croats and would take part.

The Muslims should gain the most from the elections, at least on paper. The balloting is expected to hand the main Muslim party nominal control of many towns where Muslims were expelled by Serbs and Croats during the war.

About 2.5 million citizens, including 400,000 outside Bosnia, registered to vote for 136 municipal councils across the country. The United Nations said about 35,000 people were expected to cross the line between the Serbian and Muslim-Croat halves of Bosnia to vote.

■ Croats Delay Vote in Drvar

Diplomats accused Croatian nationalist authorities in the western town of Drvar of trying to stall voting in an attempt to avoid defeat by Serbian refugees who once controlled the town and came back to vote, Reuters reported.

Hundreds of Serbs spent the night in buses and cars outside the town because the Croatian authorities running polling stations had adopted a "go slow" approach, the office of the international High Representative to Bosnia said.

"The behavior of Croat authorities in Drvar is absolutely unacceptable, because they are intentionally slowing down the election process and the Serbs' voting," said Vladislav Savic, spokesman for the High Representative.



Vlado Solic/Reuters

Two Serbian refugees as they were reunited in Croatian-held Drvar.

CIA: *Agency Is Again Stressing Its Information-Gathering Role*

Continued from Page 1

Mr. Tenet, who spent much of his last few years as the No. 2 man at the agency studying covert operations, has mandated that intelligence collection and not covert action will be the principal requirement for the Directorate of Operations, the clandestine side of the agency.

In naming Jack Downing, a highly regarded officer of the directorate to take over the embattled office, Mr. Tenet said that he was turning to "a world renowned operator" who can "run quality operations that generate unique information."

As the CIA approaches the 50th anniversary of its creation this week, the new approach marks an important shift in emphasis away from the type of secret activities that made the agency both famous and infamous.

"Covert activities involving exile groups or arming guerrilla fighters take a lot of time and attention and divert resources from developing a base of agents who could be gathering intelligence on our hardest targets," an official said.

Often, he added, the exiles in traditional covert activities "can't be controlled, people get locked into political positions and often the payoff is negligible or can't be measured at all."

The agency has been sharply criticized for its operations against the Iraqi leader, Saddam Hussein, by exiles and former agency operatives disappointed by the way things turned out.

In addition, new CIA and Justice Department investigations of agency operations in Central America are expected to be made public shortly.

These seem certain to provoke more criticism of the agency's cooperation with drug dealers who aided Nicaraguan contra operations and trained Honduran forces that committed human rights violations.

Agents recruited for intelligence gathering rather than paramilitary operations are "more disciplined," the official said, "and are not the same kind of people as exiles."

"They relentlessly gather intelligence on which we can act," he said, "giving us the option of using some new tools."

The intelligence committee chairman, Mr. Goss, noted that in the 1960s, the Central Intelligence Agency's covert action included trying clandestinely to affect election outcomes and influence political and labor leaders, without divulging U.S. involvement.

There are still traditional, smaller-scale covert operations under way against Iran and Iraq that include slipping propaganda into local newspapers or a country's television network, leafleting and beaming in radio broadcasts from mobile transmitters and supporting exiles.

Some are under way because members of Congress want something done against such anti-American countries.

One CIA official noted that the House speaker, Newt Gingrich, Republican of Georgia, has made well-publicized demands for stronger steps to undermine the Iranian government.

"Covert action is not a miracle worker," he added.

The official was particularly critical of exiles from Afghanistan, Iran and Iraq who lobbied Congress to gain support for their exile groups and efforts to regain power, among them Libyans and Ukrainians.

"These never went anywhere," he said. "Exiles in $600 Hickey Freeman suits work Capitol Hill. We were looking to give money to guys in the field who do the shooting."

Albright Blazes a Trail

Saudis Give Her a Publicized VIP Welcome

By Thomas W. Lippman
Washington Post Service

ABHA, Saudi Arabia — When Rosalynn Carter arrived in Saudi Arabia as First Lady in 1978, she walked behind President Jimmy Carter and the welcoming party.

She was excluded from all official meetings and she dined separately with Saudi women.

When Madeleine Albright arrived in this country on a mission as secretary of state, she got — well, she got the royal treatment.

Prominent princes met her at the airport. King Fahd and Crown Prince Abdullah received her and all Saudi newspapers gave front-page display to photos of her with her Saudi hosts.

The difference is partly time but mostly it is status.

In the two decades since the Carters were here, Saudi Arabia has accommodated itself in many ways to the fact that foreign countries and some businesses will be represented by women.

The U.S. Consulate in Jidda, for example, has more female diplomats than male, officials said. Like Saudi women, they cannot drive and are barred from all-male social gatherings, but otherwise they are free to do their jobs.

When Mrs. Albright came to this capital of Saudi Arabia's mountainous southwestern province to meet with foreign ministers of the Gulf Cooperation Council countries, her entourage was met by several women from the U.S. Embassy in Riyadh and the consulate.

In Rosalynn Carter's day, the State Department had to import women diplomats from neighboring countries to handle the program for her.

Some newer public buildings now even have restrooms for women, a novelty in a country where women are not expected to be working with men. But the big difference for Mrs. Albright was that she came here in her official capacity.

As is their long-standing practice, the Saudis dealt with the position, not the person filling it — just as they did with Henry Kissinger when he was secretary of state, even though Jews are normally not welcome here.

It was that same principle of Saudi protocol that excluded Rosalynn Carter. During that visit, King Fahd, then crown prince, gave an interview to Barbara Walters of ABC News, who was here in her professional role. Mrs. Carter was here only as Mrs. Carter.

"The Saudis understand that other countries do things diffferently," a female U.S. diplomat said. "They just don't want us to interfere with the way they run their own society."

In a gesture to Saudi sensibilities, Mrs. Albright wore a black suit with long sleeves and a long skirt, and a broad-brimmed straw hat. She said it was her "Aspen hat," bought in the Colorado ski resort town frequented by Prince Bandar bin Sultan, the ambassador to the United States.

Prince Bandar was in the welcoming party, along with the foreign minister, Prince Saud al Faisal. Ever since Mrs. Albright was appointed, the Saudi ambassador has scoffed at the idea that she would face difficulty here as a woman, jokingly dismissing it as "sexist."

King Fahd received Mrs. Albright with the full ceremony accorded to the most distinguished visitors.

MIDEAST: *Praise for Albright*

Continued from Page 1

overcame the impression of a dangerous stalemate, the Saudis told her.

■ Meeting Tied to Peace Progress

Gulf Arab states demanded a revival of the peace process in talks Sunday with Mrs. Albright as a condition for attending an economic summit with Israel, Agence France-Presse reported from Abha, Saudi Arabia, quoting a Gulf official.

For her part, Mrs. Albright urged the wealthy Gulf Arabs to drop opposition to taking part in the three-day Doha economic summit starting Nov. 16.

"Arab states have a responsibility to support the peace process and work against the enemies of peace," she said at a meeting of foreign ministers of the six-nation Gulf Cooperation Council.

Washington hopes, she said, that members of the council will participate "to send a message to the opponents of peace."

She also called for the six states "to do your utmost to ensure that no assistance of any kind reaches the practitioners of extremist violence such as Hamas," the Palestinian extremists who carry out suicide bombings in Israel.

The Saudi foreign minister, Prince Saud al Faisal, voiced the cooperation council's backing for the peace efforts and saw "encouraging factors" in her first tour of the Middle East.

But he called for more efforts "to put the peace process back on track."

Saudi Arabia and the United Arab Emirates have said they would boycott the Middle East and North Africa economic summit to protest Israel's hard line in the deadlocked peace process.

But the Saudi leadership told Mrs. Albright that they might lift their boycott if there was progress in the peace process over the next two months, a senior U.S. official said.

The kingdom is "leaving the door open," the official said, asking not to be named, after Mrs. Albright met King Fahd, Prince Abdullah and Prince Saud.

A Gulf official said the council's foreign ministers adopted the Saudi line.

Mail Carrier Fired for Short-Stepping

The Associated Press

WHITE PLAINS, New York — A woman who has been delivering mail for 18 years has been fired because her stride is too short.

According to her dismissal letter from the U.S. Postal Service, Martha Cherry, 49, was observed walking on her route at the rate of 66 paces a minute with a stride of less than one foot (30 centimeters). Ms. Cherry is just under 5 feet 5 inches (1.65 meters) tall.

"At each step, the heel of your leading foot did not pass the toe of the trailing foot by more than one inch," the letter said. "As a result, you required 13 minutes longer than your demonstrated ability to deliver mail to this section of your route."

Ms. Cherry, who said she was "devastated" by the decision, filed a grievance with the letter carriers' union after receiving the dismissal letter last month.

Pat McGovern, a spokeswoman for the Postal Service, said Ms. Cherry had been warned once and suspended twice for similar problems.

But people along Ms. Cherry's route in White Plains have written dozens of letters in her support. One, signed by more than 40 residents, says: "If walking quickly is more important than kind, sensitive service to customers, then something is seriously amiss with the post office's priorities."

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CAPITAL MARKETS ON MONDAY

A New Consensus Forms: U.S. Rates Will Rise, but Not Until November

By Mitchell Martin
International Herald Tribune

NEW YORK — There is a divergence of opinion on Wall Street about the outlook for bond prices but a growing consensus that the Federal Reserve Board will push short-term interest rates higher after its policy-setting arm meets in November.

Analysts disagree about how quickly the U.S. economy can grow without igniting inflation, but recent data point to the gross domestic product expanding at an annual rate in excess of 3 percent in the third quarter, fast enough, in the view of many, for the central bank to seek to cool things down with a rate increase.

This was not apparent from the market's reaction to the latest economic data Friday. After the government said producer prices rose 0.3 percent in August and that retail sales had expanded by 0.4 percent, the bond market rallied, taking stocks along.

As its price rose 27/32, to 96 29/32, the yield on the current 30-year Treasury bond fell to 6.61 percent Friday

U.S. CREDIT MARKETS

from 6.68 percent Thursday and 6.62 percent the previous Friday. With interest rates falling, stock investors overcame nervousness about corporate earnings that had weighed on the market for a few sessions, and the Dow Jones industrial average rose 81.99 points, to 7,742.97.

Several analysts called the rise in bond prices Friday a relief rally, triggered because the growth in retail sales had come in significantly below market expectations and the producer-prices increase was in line with forecasts. But in a game that is increasingly common on Wall Street, investors earlier in the week began to position themselves for results that did not match analysts' forecasts.

In this case, the market priced in more inflationary data than the consensus estimates showed, and when they did not appear, bond prices rose, bringing interest rates roughly to where they were a week earlier.

This begs the question of whether the economy is really growing too fast for the Fed's comfort and, if it is, whether that growth is bad for long-term bond prices.

The answer to the first question seems largely to be yes.

"We still see the Fed hiking interest rates; we do see the economy too high," said Cynthia Latta, an economist at DRI/McGraw-Hill in Lexington, Massachusetts.

DRI predicted the central bank's policy-setting Federal Open Market Committee would push the federal funds rate, the fee charged on overnight loans between commercial banks, to 5.75 percent from 5.50 percent. The committee next meets Sept. 30, but many of the analysts that expect it to opt for a tightening say the move will wait until the November meeting, six weeks later.

Ms. Latta took the middle ground between bond bulls and bears, suggesting that investors would do best to focus on purchasing short-term instruments with maturities of no more than two years. DRI is predicting that the 30-year bond yield will end the year at 6.74 percent and the two-year Treasury note at 6.13 percent, up from Friday's 5.93 percent.

Although DRI sees strong economic growth, it makes several bullish arguments for fixed-income securities.

One key is strong overseas demand for U.S. securities. Foreign private investors bought more than $100 billion of U.S. securities in the second quarter, according to Salomon Brothers Inc., far more than Americans purchased overseas in that period.

Ms. Latta said the strong U.S. economy was attracting overseas investors and that this would limit the upward pressure on interest rates exerted by the relatively rapid GDP expansion.

That kind of thinking is counterintuitive for many bond investors, who equate a growing economy with rising interest rates. But these days, it is gaining adherents.

"I'm not one of those bond guys who can't wait for a recession," said Charles Earle, fixed-income strategist at Gruntal & Co. Mr. Earle can't wait to buy bonds. He predicted the yield on the 30-year issue would fall to 6.25 percent in the coming months and to 6 percent in the first half of next year.

Like Ms. Latta, Mr. Earle said the U.S. economy was pulling in capital. Looking around the world, he said America was one of the few places where relatively high rates of return were available in a stable environment.

At the same time that international demand is rising, moreover, the supply of Treasury bonds is contracting. The government paid down $71.5 billion of debt in the first half of this year, he said.

Mr. Earle said the retail-sales data Friday supported his long-term bullish view. But an entirely different reading was provided by Ken Mayland, chief economist of KeyCorp, a Cleveland-based banking company.

Mr. Mayland said that although the August sales rise was below expectations, a revision in the July increase — it was raised to 0.9 percent from 0.6 percent — indicated the kind of consumer spending that would put upward pressure on prices. He also noted that the rise in the producer price index for August was the first this year.

Department-store sales in August were sharply higher than a year earlier, he said, and because of the low inflation over the previous year, practically all of that rise reflected increased unit sales, a sign that consumers were shopping with new fervor. He also predicted the August retail sales data would be revised upward, following the recent pattern for this indicator.

Mr. Mayland said he thought this would encourage the Fed to raise interest rates starting in November.

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending Sept. 12. Prices supplied by Telekurs.

Argentine Peso

Rnk Name	Cpn	Maturity	Price	Yield
210 Argentina Boc	3.3528	04/01/07	105.6674	3.1700

Austrian Schilling

Rnk Name	Cpn	Maturity	Price	Yield
213 Austria	5⅝	07/15/07	99.4000	5.6600

Australian Dollar

Rnk Name	Cpn	Maturity	Price	Yield
238 Fannie Mae	5¾	09/05/00	100.7500	5.7100

Canadian Dollar

Rnk Name	Cpn	Maturity	Price	Yield
192 Canada SP	zero	06/01/25	15.8351	6.8700
196 Canada	7¼	06/01/07	108.8750	6.6600
249 Canada Tbill	zero	02/26/98	97.6800	5.2000

British Pound

Rnk Name	Cpn	Maturity	Price	Yield
127 Britain	7	11/06/01	100.0000	7.0000
128 Fin.For Res	8.3690	09/30/50	138.2500	6.0500
141 Natwest	7⅞	09/09/15	99.6250	7.9000
148 Abbey Nation	6	08/10/99	97.6250	6.1500
187 Fannie Mae	6.4300	03/22/01	96.6092	6.6600
242 Britain	7	06/07/02	100.2180	6.9800

Danish Krone

Rnk Name	Cpn	Maturity	Price	Yield
12 Denmark	7	11/15/07	105.5600	6.6300
13 Denmark	8	03/15/06	112.6700	7.1000
24 Denmark	9	11/15/00	111.9100	8.0400
28 Denmark	9	11/15/98	105.2500	8.5500
35 Denmark	7	12/15/04	106.8100	6.5500
43 Denmark	8	11/15/01	110.7300	7.2200
44 Denmark	8	05/15/03	112.1800	7.1300
46 Denmark	6	12/10/99	102.9300	5.8300
58 Denmark	7	11/10/24	100.8100	6.9400
62 Denmark	6	02/15/99	102.3800	5.8600
63 Denmark	6	11/15/02	103.3100	5.8100
107 Denmark	4	02/15/00	98.9000	4.0400
147 Nykredit	7	10/01/29	96.1800	7.2800
164 Denmark	7	02/15/98	101.2700	6.9100
225 Nykredit 3 Cs	6	10/01/26	91.4000	6.5600
235 Denmark	5	08/15/05	95.9300	5.2100

Deutsche Mark

Rnk Name	Cpn	Maturity	Price	Yield
1 Germany	6	07/04/07	102.3822	5.8600
2 Germany	6	01/04/07	102.4500	5.8600
3 Germany	8	07/22/02	113.2089	7.0700
4 Germany	3½	06/18/99	99.3200	3.5200
7 Germany	8	01/21/02	112.45	7.1100
8 Germany	6¼	04/26/06	104.4945	5.9800
9 Germany	6½	07/04/27	102.2900	6.3500
10 Treuhand	7½	09/09/04	112.4150	6.6700
11 Germany	4½	05/17/02	99.2500	4.5300
14 Treuhand	7¼	10/01/02	112.3450	6.9000
16 Germany	6⅞	05/12/05	106.9356	6.4300
17 Bundesobligation	4½	02/22/02	99.1178	4.5400
18 Germany	6½	10/14/05	103.6679	6.2700
20 Treuhand	7½	12/02/02	108.7371	6.7800
21 Germany 94	6¼	01/04/24	99.1300	6.3000
22 Germany	7⅜	01/03/05	109.2902	6.7500
25 Germany	3¾	03/19/99	99.9700	3.7500
26 Germany	5	05/21/01	101.6700	4.9200
27 Germany	8½	09/20/01	112.8880	7.3100
30 Treuhand	7⅛	01/29/03	109.8000	6.4900
31 Germany	8¾	08/20/01	114.3300	7.6500
32 Germany	6	01/05/06	103.0700	5.8200
33 Germany	3½	09/18/98	99.9400	3.5000
34 Germany	7¼	10/21/02	110.2034	6.5800
36 Treuhand	6⅝	07/09/03	107.5200	6.1600
37 Germany	4¾	11/20/01	100.2800	4.7400
38 Germany	5	08/20/01	101.2400	4.9400
40 Germany	9	10/20/00	110.0337	8.1800
41 Germany	8⅞	12/20/00	113.1775	7.8400
45 Treuhand	6½	04/23/03	106.9600	6.0800
47 Germany	6	02/16/06	100.6965	5.9600
48 Germany	6	09/15/03	104.8200	5.7200
49 Germany	5⅛	11/21/00	102.1375	5.0200
51 Germany	9	01/22/01	113.7633	7.9100
55 Germany	6½	03/15/00	105.4614	6.1600
56 Germany	6½	07/15/03	107.0400	6.0700
57 Germany	6¾	09/15/99	105.4000	6.4000
59 Germany	5⅞	05/15/00	104.1000	5.6400
60 Germany	3½	12/18/98	99.6200	3.5100
61 Germany	6¾	04/22/03	108.2150	6.2400
64 Germany	7½	11/11/04	112.6300	6.6600
66 Treuhand	6⅝	07/01/99	102.1034	6.2400
67 Germany	6⅛	05/20/99	103.6700	5.9100
68 Treuhand	6¾	05/13/04	108.2050	6.2400
71 Germany	8½	02/20/01	112.45	7.5600
72 Germany	5½	02/21/01	102.4267	5.1300
73 Treuhand	6⅞	06/11/03	108.7500	6.3200
76 Germany	6¾	07/15/04	108.3250	6.2300
77 Germany	7½	12/20/02	109.7663	6.4900
78 Germany	5¾	08/22/00	103.8100	5.5400
87 Germany	zero	07/04/27	14.3500	6.7200
88 Germany	6⅞	05/20/98	102.0000	6.2500
89 Germany	6⅞	12/02/98	103.7500	6.6300
90 Treuhand	6	11/12/03	104.4433	5.7400
92 Germany	8½	08/21/00	111.2443	7.6400
93 Germany	6	06/20/16	98.2557	6.1100
95 Germany	7	01/13/00	106.3300	6.5800
96 Treuhand	6⅛	03/26/98	101.4600	6.0400
101 Germany	8¾	05/21/01	110.3110	7.5900
103 Germany	5⅜	02/22/99	102.3100	5.2500
105 Germany	6⅝	01/20/98	99.0307	6.6900
106 Germany	5¾	08/20/98	102.0200	5.6400
108 Germany	8¾	05/22/00	111.2250	7.8700
114 Germany	5¼	10/20/98	101.7600	5.1600
116 Germany Tbills	zero	01/16/98	98.9450	3.0700
120 Germany	7	12/22/97	100.9800	6.9300
123 Treuhand	6¼	03/04/04	105.4246	5.9300
130 Germany	6	02/20/98	101.1100	5.9300
132 Treuhand	5	01/14/99	101.6400	4.9200
133 Germany	6⅜	08/14/98	102.5300	6.2200
137 Treuhand	5	12/17/98	101.5900	4.9200
142 Germany SP	zero	01/04/24	18.0700	6.7100
143 Denmark FRN	3.1390	09/10/01	99.9100	3.1400
162 Treuhand	6⅛	06/25/98	102.0400	6.0000
166 Cap Credit Card	5⅝	08/15/01	102.6689	5.4800
167 Germany	5⅜	02/25/98	100.8400	5.2100
172 LB Sachsen	5¾	09/10/07	99.8850	5.7600
174 Treuhand	7	11/25/99	106.1835	6.5900
186 Italy	5¾	07/10/07	99.4800	5.7800
189 Treuhand	5⅝	09/24/98	102.0500	5.5100
193 Freistaates	6	10/30/06	102.1500	5.8700
200 Germany	5¾	05/28/99	103.0700	5.5800
204 LB Berlin FRN	zero	08/25/05	97.6509	0.0000
206 Germany	6¼	02/20/98	101.2300	6.1700
211 Belgium	zero	10/22/97	99.6443	3.0000
215 Germany	6¾	06/21/99	104.8102	6.4400
217 Treuhand	6⅛	07/29/99	104.1400	6.0000
224 Germany	7⅛	12/20/99	106.4850	6.6900
226 German States	6	01/29/07	102.0000	5.8800
233 TVA	6⅜	09/18/06	104.4500	6.1000
243 Germany	8¾	07/20/00	111.6800	7.8300
244 Germany FRN	2.8707	09/30/04	99.2100	2.8900
246 Deut Ausgleichs	6½	05/29/06	105.5000	6.1600
247 Germany	5¼	11/20/97	100.3500	5.2300
250 Deuts Sied	5⅝	08/13/07	98.6369	5.7000

Dutch Guilder

Rnk Name	Cpn	Maturity	Price	Yield
53 Netherlands	5¾	02/15/07	101.0000	5.6900
65 Netherlands	7½	01/15/23	115½	6.4900
69 Netherlands	5¾	09/15/02	103.7200	5.5400
74 Netherlands	6¼	07/15/98	102.0400	6.1300
84 Netherlands	8¼	06/15/02	114¼	7.2200
86 Netherlands	9	01/15/01	113.5500	7.9300
98 Netherlands	7	06/15/05	109.8500	6.3700
99 Netherlands	7½	06/15/99	105.7500	7.0900
102 Netherlands	6½	07/15/98	102.2200	6.3600
110 Netherlands	6	01/15/06	103.3200	5.8100
115 Netherlands	8½	03/15/01	112.45	7.5600
117 Netherlands	7½	04/15/10	115	6.5200
122 Netherlands	5¾	01/15/04	103.0000	5.5800
125 Netherlands	7	02/15/03	109.3400	6.4000
149 Netherlands	8½	06/01/06	120.2000	7.0700
151 Netherlands	9	05/15/00	111.6500	8.0600
154 Netherlands	6½	04/15/03	107.0200	6.0700
159 Netherlands	6¾	02/15/99	103.7500	6.5100
161 Netherlands	8¼	09/15/07	119.5500	6.9000
163 Netherlands	7¾	03/01/05	114.4300	6.7700
165 Netherlands	6¾	11/15/05	108.2500	6.2400
169 Netherlands	7	03/15/99	104.3000	6.7100
170 Netherlands	8¼	02/15/00	109.0000	7.5700
180 Netherlands	6¾	10/01/98	103.0000	6.5500
190 Netherlands	7¾	01/15/00	107.7000	7.2000
194 Netherlands	8¼	02/15/02	113.6500	7.2600

ECU

Rnk Name	Cpn	Maturity	Price	Yield
119 France OAT	6	04/25/04	103.1300	5.8200
139 France OAT	5½	04/25/07	96.5000	5.7000
177 France BTAN	5	03/16/99	100.7500	4.9600
181 France B.T.A.N.	4½	07/12/02	97.3100	4.6200
216 Britain	4	01/28/00	98.5000	4.0600
221 France OAT	8¼	04/25/22	120.7000	6.8400

Finnish Markka

Rnk Name	Cpn	Maturity	Price	Yield
129 Finland sr 1999	11	01/15/99	109.1493	10.0800
199 Finland Serial s	7¼	04/18/06	109.0954	6.6500

French Franc

Rnk Name	Cpn	Maturity	Price	Yield
184 France BTAN	7	11/12/99	106.0900	6.6000
201 FranceOAT	5½	04/25/07	99.8200	5.5100

Japanese Yen

Rnk Name	Cpn	Maturity	Price	Yield
124 Spain	3.1000	09/20/06	106.7500	2.9000
171 NTT	2½	07/25/07	101.6250	2.4600
178 Ontario Hydro	5.4500	12/07/99	96.5708	5.6400
208 World Bank	4½	03/20/03	115¼	3.9000
228 SEK	4.1500	06/11/01	109.0150	3.8100
229 Arg Global	1.1200	11/12/98	99.8350	1.1200
248 Hellenic	3.8000	08/08/17	99.2500	3.8300

Portuguese Escudo

Rnk Name	Cpn	Maturity	Price	Yield
135 Portugal FRN	zero	10/01/97	100.0300	0.0000

South African Rand

Rnk Name	Cpn	Maturity	Price	Yield
126 Eskom	zero	12/31/32	1⅞	11.9100

Spanish Peseta

Rnk Name	Cpn	Maturity	Price	Yield
118 Spain	8.8000	04/30/06	117.8500	7.4700
173 Spain	7.9000	02/28/02	109.4480	7.2200
195 Spain	6¾	04/15/00	103.9060	6.5000
197 Spain	7.8000	10/31/99	105.4300	7.4000
231 Spain	7.3500	03/31/07	108.1730	6.7900

Swedish Krona

Rnk Name	Cpn	Maturity	Price	Yield
104 Sweden	11	01/21/99	107.8200	10.2000
157 Sweden 1036	10¼	05/05/00	111.7220	9.1700
182 Sweden	9	04/20/09	118.2510	7.6100
183 Sweden 1037	8	08/15/07	110.1630	7.2600

U.S. Dollar

Rnk Name	Cpn	Maturity	Price	Yield
5 Brazil Cap S.L	4½	04/15/14	93.8118	4.8000
6 Argentina par L	5½	03/31/23	74.5104	7.3800
15 Mexico	11½	05/15/26	118.5856	9.7000
19 Venezuela par A	6¾	03/31/20	84.5828	7.9800
23 Brazil L FRN	6⅞	04/15/06	91.7235	7.5000
29 Brazil	10⅛	05/15/27	97.8241	10.3500
39 Mexico	6¼	12/31/19	80.4965	7.7600
42 Argentina	6¾	03/29/05	92.5643	7.2900
50 Argentina	11⅜	01/30/17	117.5538	9.6800
52 Brazil par Zl	5¼	04/15/24	70.1250	7.4900
54 Venezuela FRN	6¾	12/18/07	94.6700	7.1300
70 Venezuela par B	6¾	03/31/20	84.4838	7.9900
75 Brazil S.Zl FRN	6⅞	04/15/24	86.0600	7.9900
79 Mexico	6¼	12/31/19	80.6679	7.7500
80 Mexico	9⅞	01/15/07	105.8750	9.3300
81 Russ Fed	10	06/26/07	103.2111	9.6900
82 Brazil S.L FRN	6 15/16	04/15/12	83.0500	8.3500
83 Brazil FRN	6 13/16	01/01/01	99.1438	6.8700
85 Argentina FRN	6⅞	03/31/23	90.7136	7.5800
91 Ford	6.5500	09/10/02	99.3750	6.5900
94 Ecuador par	3½	02/28/25	53.0000	6.6000
97 Bulgaria FRN	6 11/16	07/28/11	78.9743	8.4700
100 Italy	6⅞	09/27/23	97.3105	7.0700
109 Brazil S.L FRN	6 15/16	04/15/09	88.0000	7.8800
111 Mexico	11½	09/15/16	111.0924	10.2400
112 Bulgaria FRN	6 11/16	07/28/24	76.2069	8.7800
113 Ecuador FRN	3¼	02/28/15	71.6670	4.5300
121 Toyota Motor	6¼	07/22/02	98.3566	6.3500
131 Bgb Fin Ireland	6¼	03/19/01	99.5000	6.2800
134 Bulgaria	2¼	07/28/12	63.3375	3.5500
136 Panama	3¾	07/17/14	78.5998	4.7700
138 Mexico A FRN	6.8672	12/31/19	94.7000	7.2500
140 Poland Inter	4	10/27/14	85.0625	4.7000
144 Mexico B FRN	6.8359	12/31/19	92.6310	7.3700
145 Ecuador FRN	6 11/16	02/28/25	79.5535	8.4100
146 Venezuela	6 11/16	03/31/20	92.9400	7.3300
150 Argentina FRN	5⅝	04/01/01	116.0320	4.8500
152 Mexico D FRN	6 13/16	12/28/19	94.7393	7.1900
153 Vattenfall	zero	08/05/98	94.2756	6.7600
155 EIB	zero	11/06/26	13.9368	6.9900
156 Arg	5¾	04/01/07	117.7382	4.7700
158 Italy FRN	5.5938	05/12/02	99.8900	5.6000
160 Brazil	6	09/15/13	79.7500	7.5200
168 Korea Dev Bk	7¼	05/15/06	98.8710	7.3300
175 Philippines Fix	8¾	10/07/16	99.5447	8.7900
176 Brazil	8⅞	11/05/01	102.8750	8.6300
179 Arg Bonf	8¾	05/09/02	100.8333	8.6800
185 Canada	6⅛	07/15/02	99.0000	6.1900
188 Canada	6⅜	07/21/05	98.8750	6.4500
191 Panama FRN	4	07/17/16	91.6505	4.3600
198 Poland FRN	6 15/16	10/27/24	97.5971	7.1100
202 Mexico par B	6¼	12/31/19	80.4750	7.7700
203 Russ Fed	9¼	11/27/01	101.9098	9.0800
205 Fannie Mae	5.5313	09/06/00	99.8400	5.5400
207 Ontario	6	02/21/06	95.0000	6.3200
209 Cais Cent Bques	zero	12/05/97	98.7011	5.7100
212 Sigma Fin	6½	07/03/00	100.5000	6.4700
214 Philippines	6¼	12/01/17	86.3750	7.2400
218 Commerz	5.5938	01/29/01	99.5700	5.6200
219 Argentina	11	10/09/06	113¼	9.7100
220 Svensk Hand	5.7188	09/08/98	99.9365	5.7200
222 Peru Pdi	4	03/07/17	66.4275	6.0200
223 Venezuela FRN	6¾	03/18/07	90.2887	7.4800
227 BNG	6⅜	07/08/02	99.8046	6.3900
230 IADB	6⅝	03/07/07	99.8750	6.6300
232 Canada	5½	01/30/01	97.8161	5.6200
234 Mydfa FRN	6 9/16	09/09/07	88.9427	7.3700
236 Mendoza	10	09/04/07	100.3750	9.9600
237 Bayerische LB	6⅝	06/25/07	99.1250	6.6800
239 Bco Com Ext.	7¼	02/02/04	93.3750	7.7600
240 Kellogg	6⅛	08/06/01	99.3750	6.1600
241 Argentina	8⅜	12/20/03	99.6250	8.4100
245 IADB	6⅜	06/27/02	99.5000	6.4100

Moving Targets Confuse Investors

By Carl Gewirtz
International Herald Tribune

PARIS — It's not yet a boycott, but investors are notably absent from the international capital market — dismayed by the increasing volatility in the foreign-exchange market and confused about whether interest rates in the United States and Germany are on the verge of being increased.

In fact, both the bond and currency markets are caught in a maze. The Deutsche mark has rallied sharply against the dollar and is back to levels last seen in mid-July — in part because of a belief that the mark is more likely to gain against the yen than the dollar and partly because of frequent rumblings from the Bundesbank that higher rates are needed to keep inflation contained.

The fear of a German rate increase is already built into prices, with the futures rate on three-month marks assuming a quarter-point rise by early winter and a three-quarter-point rise by early summer. But the fact that the mark's 6.7 percent rally since early August is itself equivalent to a tightening of policy could eliminate the need to raise interest rates.

"It's a no-win situation," Thomas Mayer at Goldman Sachs in Frankfurt said. "The mark's recovery reduces the need for the Bundesbank to raise rates, but if the futures market is disappointed and rates aren't hiked, the mark will come under attack.

"If the Bundesbank delivers the rate hike, the dollar could end the year at around 1.70 DM," he said. The dollar was quoted at the end of last week at 1.7715 DM, down from a midyear peak of 1.8905 DM.

"If the Bundesbank doesn't move, or if the Fed increases U.S. rates, the dollar could test the August high," Mr. Mayer said.

Against this background, investors are reluctant to commit new funds. What they do buy is very short-term paper, such as the three-year dollar notes sold last week, or floating-rate paper, which offers the best protection against a rise in interest rates. There also is some appetite for "spread product" — paper sold at such a high premium to government benchmark rates that it provides a cushion against a change in official rates.

As an example, Mexico was able to sell seven-year notes denominated in euros. Payments for the issue are made in European currency units, the precursor to the euro, the European common currency that is scheduled for introduction Jan. 1, 1999. The issue was increased from the initially targeted 300 million euros to 400 million euros, thanks to the hefty pick-up in yield offered to investors — 230 basis points, or 2.3 percentage points, over what the French government would pay. The paper was sold primarily in Continental Europe.

Korea Development Bank also scored a big success, issuing $1.5 billion of paper, up from an intended $500 million, and managers reported a massive oversubscription, with final orders of around $3 billion.

South Korea, although not caught up in the recent currency turmoil raging through Southeast Asia, has its own financial problems with mounting corporate failures and banks holding bad loans. As a result, the spread on its paper has widened significantly, with the spread on Korea Development Bank's 10-year issue having risen from a low of about 53 basis points above benchmark rates at the start of the year to a peak of 130 basis points early this month.

Although rated A-1 by Moody's Investors Service Inc. and double-A by Standard & Poor's Corp., the pricing on the bank's paper was closer to what a borrower with a triple-B credit rating would pay — 115 basis points over U.S. government levels for $600 million of seven-year notes and 98 basis points over the benchmark on its $900 million of four-year paper.

New International Bond Issues

Compiled by Paul Floren

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Floating Rate Notes						
Beneficial Home Equity Loan	$736	2037	0.12	100	—	Over 1-month Libor. Average life 7 years. Private Placement. Fees not disclosed. (Salomon Brothers.)
CIE Parisienne de Reescompte	$250	2002	⅛	99.935	—	Over 3-month Libor. Noncallable. Fees 0.175%. Denominations $10,000. (Deutsche Morgan Grenfell.)
Compagnie Bancaire	$400	2004	0.10	99.895	—	Over 3-month Libor. Noncallable. Fees 0.175%. (Commerzbank.)
First Chicago NBC	$250	2002	0.10	100	—	Over 3-month Libor. Reoffered at 99.934. Noncallable. Fees 0.175%. (Lehman Brothers.)
Vneshtorgbank	$200	1999	2.20	100	—	Over 3-month Libor. Noncallable. Fees 0.75%. (Chase Manhattan.)
Den Norske Bank	DM 300	1999	libor	100.025		Interest will be 3-month Libor. Noncallble. Fees 0.08%. (CSFB.)
General Motors Acceptance Corp.	DM750	2002	⅛	99.838	—	Over 3-month Libor. Noncallable. Fees 0.225%. (Merrill Lynch.)
General Motors Acceptance Corp.	£300	2002	⅛	99.838	—	Over 3-month Libor. Noncallable. Fees 0.225%. (Merrill Lynch.)
Mooncrest Funding	£128.1	2012	0.175	100	—	Over 3-month Libor. Callable in 2002, thereafter 0.45% over 3-month Libor. Fees 0.35%. Denominations £10,000. (Citibank Intl.)
International Bank for Reconstruction and Development	ITL200,000	2000	0.50	100.065	—	Under 3-month Libor. Noncallable. Fees 0.35%. (Morgan Stanley.)
Fixed-Coupons						
Coca Cola Enterprises	$500	2002	6⅝	101.254	99.30	Reoffered at 99.679. Noncallable. Fees 1⅞%. (Salomon Brothers.)
Halifax	$200	2001	6½	100.955	99.76	Reoffered at 99.555. Noncallable. Fees 1⅜%. (UBS.)
L-Bank, State Development Agency of Baden-Wuerttemberg	$110	2000	5.62	100	—	Noncallable. Fees 1.20%. Denominations $10,000. (Intl. Bank of Japan.)
Merita Bank	$300	perpt.	7.15	99.988	—	Semi-annually. Callable at par in 2002. Fees 0.875%. (Merrill Lynch.)
Merrill Lynch	$500	2004	6¾	99.171	99.67	Noncallable. Fees 0.35%. (Merrill Lynch.)
Societe Generale	$300	2000	6½	100.88	99.82	Reoffered at 99.705. Noncallable. Fees 1⅜%. (Societe Generale.)
Statoil	$200	2000	6¼	100.995	99.98	Reoffered at 99.82. Noncallable. Fees 1⅜%. (Paribas.)
UBS Australia	$100	2001	3¼	91.08	89.95	Reoffered at 89.68. Noncallable. Fees 1⅜%. (UBS.)
Deutsche Bahn Finance	DM 1,000	2007	5¾	102.106	99.54	Reoffered at 99.431. Noncallable. Fees 3%. (Deutsche Morgan Grenfell.)
Helba Intl. Finance	DM1,000	2002	4¾	101.085	99.35	Reoffered at 99.335. Noncallable. Fees 2%. (BZW.)
Norddeutsche Landesbank	DM250	2007	5⅞	101.464	99.15	Reoffered at 99.314. Noncallable. Fees 2⅛%. (Deutsche Morgan Grenfell.)
Caisse Centrale Desjardins du Quebec	FF1,500	2002	5	100.068	100.05	Noncallable. Fees 0.30%. (Credit Agricole.)
Inter-American Development Bank	ITL300,000	2007	10	101.296	99.65	Reoffered at 99.746. Steps down to 5⅞% in 1999. Fees 1⅞%. (Cariplo.)
Mediocredito Lombardo	ITL200,000	2000	zero	85.95	—	Yield 5.176%. Noncallable. Fees 1¼%. (Cariplo.)
General Electric Capital Corp.	euro450	2004	5½	101.115	—	Reoffered at 99.54. Noncallable. Fees 1⅞%. (Paribas.)
Mexico	euro400	2004	7⅝	100.05	99.50	Reoffered at 99.50. Noncallable. Fees 1⅞%. (Swiss Bank Corp.)
Bremer Landesbank Kreditanstalt Aldenburg	ECU100	2003	5⅜	101.473	—	Reoffered at 99.873. Noncallable. Fees 1⅞%. (Morgan Stanley.)
European Investment Bank	Y50,000	2007	2⅛	98.931	—	Noncallable. Fees 0.325%. (Nikko Europe.)
Inter-American Development Bank	Y30,000	2001	4.15	100	—	Noncallable. Redeemable at maturity in U.S. Dollars at 113.79 yen per dollar. Fees 1⅞%. (Daiwa.)

The Week Ahead: World Economic Calendar, Sept. 15-19

A schedule of this week's economic and financial events, compiled for the International Herald Tribune by Bloomberg Business News.

	Asia-Pacific	Europe	Americas
Expected This Week	**Hong Kong:** Annual meeting of the World Bank and the International Monetary Fund, from Monday to Sept. 23: BankBoston Corp., SBC Warburg, HSBC Markets and others sponsor the 1997 Emerging Markets Roundtable, Saturday and Sunday.	**Weimar, Germany:** French-German summit: President Jacques Chirac, Prime Minister Lionel Jospin and other members of the French government to meet with Chancellor Helmut Kohl and his ministers to discuss the euro. Thursday and Friday.	**Fort Worth, Texas:** National Newspaper Association's annual convention, Wednesday to Saturday. **New Orleans:** National Association of Business Economists' annual meeting, Sunday to Wednesday.
Monday Sept. 15	**Hong Kong:** Government holds land auction. **Japan:** Respect-for-the-Aged Day. Government offices, markets and most businesses closed.	**Oslo:** Norway holds general election. **Earnings expected:** Sonae Investimentos, Modelo Continente, Inparsa-Industria & Participacoes, Sonae Industria, Portugal Telecom, London & Manchester.	**Lima:** Peru to receive bids from national and international investors for sale of the Yauncocha copper and silver mine. **Earnings expected:** Brazil Realty.
Tuesday Sept. 16	**Tokyo:** Tomy Co., a toymaker, lists its shares on over-the-counter market; Bank of Japan releases its monthly report on financial markets; Ministry of International Trade and Industry releases figures on July service-company sales.	**Bamberg, Germany:** Finance Minister Theo Waigel holds news conference after annual meeting of managers of state-owned companies. **The Hague:** Government's 1998 preliminary budget and economic forecasts scheduled for release.	**Washington:** Labor Department reports consumer price index for August; Commerce Department reports July business inventories and sales; Federal Reserve releases industrial production and capacity utilization for August.
Wednesday Sept. 17	**Tokyo:** Money-supply data for August; trade figures for August; revised industrial production figures for July.	**Paris:** Finance Minister Dominique Strauss-Kahn discusses proposed new tax and financial measures for the 1998 budget. **Earnings expected:** Britannic Assurance, Next, Bowthorpe, Gallaher Group, Wassall, Mayborn, Colruyt.	**Mexico City:** Finance Ministry releases industrial output for July; central bank releases foreign-reserves levels. **Washington:** Commerce Department reports August housing starts.
Thursday Sept. 18	**Wellington:** Reserve Bank of New Zealand releases latest economic forecasts; government releases financial statements for the year ended June 30. **Tokyo:** Land Agency releases annual land prices for 1996.	**Paris:** Bank of France monetary council meeting. **Prague:** Half-year gross domestic product figures. **Earnings expected:** Sun Life & Provincial Holdings, Zurich Group, Nestle, Deutsche Telekom.	**Seattle:** National Center for Asia-Pacific Economic Cooperation holds meeting. Treasury Secretary Robert Rubin speaks on U.S. interests in Asia and the global economy. **Washington:** Trade balance in goods and services for July.
Friday Sept. 19	**Taipei:** Ministry of Finance auctions first book-entry government bonds of 30 billion Taiwan dollars. **Earnings expected:** Broken Hill Proprietary, Naigai, Kosugi Sangyo.	**Stockholm:** Government presents 1998 budget to Parliament. **Earnings expected:** Electrabel.	**Mexico City:** August unemployment. **Earnings expected:** Adobe Systems.

Last Week's Markets

Stock Indexes

	Sept. 12	Sept. 5	% Ch'ge
United States			
DJ Indus.	7,742.97	7,822.41	−1.02
DJ Util.	239.60	235.52	−1.73
DJ Trans	3,038.98	2,959.53	+2.68
S & P 100	984.94	991.45	−0.72
S & P 500	923.91	929.05	−0.55
S & P Ind	1,083.71	1,091.80	−0.74
NYSE Cp	483.30	484.64	−0.28
Nasdaq Cp	1,649.34	1,635.77	−0.83
Japan			
Nikkei 225	17,965.80	18,650.17	−3.67
Britain			
FTSE 100	4,848.20	4,994.20	−2.92
Canada			
TSE Indus.	6,759.70	6,743.20	−0.24
France			
CAC 40	2,834.07	2,924.51	−3.09
Germany			
DAX	3,854.81	4,100.67	−6.00
Hong Kong			
Hang Seng	14,370.46	14,563.55	−0.64
World			
MSCIP	923.36	937.02	−1.46

World index from Morgan Stanley Capital Intl Perspective

Money Rates

	Sept. 12	Sept. 5
United States		
Discount rate	5.00	5.00
Prime rate	8½	8½
Federal funds rate	5½	5 9/16
Japan		
Discount	0.50	0.50
Call money	0.38	0.43
3-month interbank	0.52	0.55
Britain		
Bank base rate	7.00	7.00
Call money	6 15/16	7 1/16
3-month interbank	7 1/16	7⅛
France		
Intervention rate	3.10	3.10
Call money	3 5/16	3 5/16
3-month interbank	3 5/16	3 5/16
Germany		
Lombard	4.50	4.50
Call money	3.20	3.13
3-month interbank	3.31	3.33

Gold	Sept. 12	Sept. 5	% Ch'ge
London p.m. fix $		321.25	

Euromarts

Eurobond Yields

	Sept. 12	Sept. 5	Yr high	Yr low
U.S. $, long term	6.63	6.56	7.09	6.48
U.S. $, mdm term	6.34	6.33	6.84	6.09
U.S. $, short term	6.18	6.17	6.51	5.96
Pounds sterling	7.36	7.42	7.75	7.09
French francs	4.96	4.98	5.05	4.66
Italian lire	6.20	6.36	7.79	6.18
Danish kroner	5.57	5.56	5.93	5.26
Swedish kronor	5.31	5.46	5.61	4.82
ECUs, long term	6.06	6.11	6.42	5.76
ECUs, mdm term	5.39	5.39	5.53	4.76
Can. $	5.77	5.76	6.51	5.68
Aus. $	6.03	6.11	7.86	6.03
N.Z. $	7.55	7.57	8.39	6.96
Yen	1.61	1.59	2.15	1.58

Source: Luxembourg stock exchange.

Weekly Sales

Sept. 11

Primary Market

	Cedel Bk $	Cedel Bk Non$	Euroclear $	Euroclear Non$
Straights	10.4	152.9	512.6	2,176.3
Convert.	—	—	17.1	2.9
FRNs	692.3	2,000.5	700.0	67.7
ECP	10,859.0	8,404.1	12,995.8	10,410.0
Total	11,561.7	10,557.5	14,225.5	12,656.9

Secondary Market

	Cedel Bk $	Cedel Bk Non$	Euroclear $	Euroclear Non$
Straights	25,597.2	16,505.5	100,314.7	20,915.4
Convert.	1,197.6	675.5	3,257.0	1,610.8
FRNs	21,371.6	12,204.7	25,600.6	24,122.3
ECP	16,551.	14,788.	174,860.	530,386.
Total	64,717.	44,174.	304,031.	577,032

Source: Euroclear, Cedel Bank.

Libor Rates

	1-month	3-month	6-month
U.S. $	5⅝	5 11/16	5 13/16
Deutsche mark	3 3/16	3⅜	3 7/16
Pound sterling	7⅛	7 1/16	7 5/16
French franc	3 5/16	3⅜	3[illegible]
ECU	4[illegible]	4 3/16	4[illegible]
Yen	[illegible]	[illegible]	[illegible]

Sources: Lloyds Bank, Reuters.

Think big?
You wish to finance a large-scale international project?
NORD/LB
NORDDEUTSCHE LANDESBANK GIROZENTRALE

Herald Tribune INTERNATIONAL
BUSINESS/FINANCE
MONDAY, SEPTEMBER 15, 1997 PAGE 13

Think twice!
A second opinion is always smart.
From a major German bank with international experience.
NORD/LB
NORDDEUTSCHE LANDESBANK GIROZENTRALE

Radical Shift at World Bank

Chief Seeks Small Projects and Private Expertise

By Richard W. Stevenson
New York Times Service

WASHINGTON — A few months ago, James Wolfensohn, the wealthy former investment banker who heads the World Bank, stood in a teeming hillside ghetto in Rio de Janeiro, watching people who had never had running water experience the simple pleasure of opening a tap.

The World Bank had teamed up with poverty-fighting organizations, the city government, the water company and local residents to install simple sewage and water lines.

The project, Mr. Wolfensohn was told, had created a profitable new market for the water company, improved health and freed thousands of women in the community from the crippling daily ritual of dragging buckets of water up from the bottom of the hill.

On a global scale, it was a tiny victory for the World Bank, which has had only intermittent success in bringing hope and improved living standards to the world's poorest nations. But for Mr. Wolfensohn, who has led the much-criticized international agency for two years, it was a moment that brought to life how the bank can and should work.

The project was of a manageable scale, and it made economic sense. It combined private investment with World Bank expertise. It could be replicated elsewhere. And it had the support and involvement not only of governments and other official bodies but also of the people it was trying to help.

"I would watch the women turn on the water, and sometimes they would cry, but always it would be with happiness," Mr. Wolfensohn said. "I cried, because how can you not?"

But if his trip to Brazil was heartening, it was no more than a brief interlude in his battle to stop the bank's loss of influence, improve its record in fighting global poverty and ensure its survival as the flagship of international development agencies.

There is more at stake than the World Bank's reputation. The entire development field, in which the bank is the biggest and most influential player, is now under scrutiny as never before, in both rich and poor nations.

Critics say hundreds of billions of dollars in development aid have failed abysmally in efforts to build foundations for sustainable economic growth in many regions.

Even supporters of the agency acknowledge that results have been disappointing in too many countries.

"Development, particularly in Africa, is the preeminent moral challenge facing mankind, and the World Bank's role has never been more important," said the U.S. deputy Treasury secretary Lawrence Summers, a former chief economist at the bank.

It is too early for Mr. Wolfensohn's efforts to have had any significant effect on the bank's record; by its own accounting, a third of the projects it backs fail to create any enduring benefits.

But through charm, exhortation and occasional bullying, he has clearly focused the

See BANCER, Page 15



Amy Thompson/The New York Times

James Wolfensohn, with statue to the fight to end river blindness.

Mahathir Softens Up

Investors Say Leader Admits Mistakes

Compiled by Our Staff From Dispatches

KUALA LUMPUR — Prime Minister Mahathir bin Mohamad met Sunday with foreign fund managers as part of his government's efforts to reassure nervous investors about Malaysia's economic policies.

In contrast to previous discussions between officials and fund managers, this time the prime minister conceded that Malaysia may have made mistakes in trying to stem a sell-off in its stock market.

"I think the fund managers were impressed by the humility displayed by the prime minister," said James Alexandroff of Arisaig Partners in Singapore, who attended the meeting at Mr. Mahathir's residence. He said Mr. Mahathir "admitted that some of these recent actions have probably been misguided."

Specifically, Mr. Mahathir, who is known for his tough pronouncements, admitted that a decision to restrict trading in 100 blue-chip stocks was a mistake, the fund manager said.

"He said it was a misunderstanding to do with the definition of 'designated' stocks," he said.

The "designated securities" label, which effectively blocked short-selling in the stocks and shortened trading settlement periods, was lifted a week ago after being bitterly criticized by foreign investors, some of whom found themselves trapped in trading positions.

Mr. Mahathir also provoked consternation when he repeatedly blamed foreign speculators for Malaysia's economic woes, alleging a "racist" plot to destroy his country's progress.

But in recent weeks, senior government officials have gone on a mission to woo back alienated foreign investors.

Mr. Mahathir's deputy, Finance Minister Anwar Ibrahim, held a closed-door session with the same group of fund managers Friday, and Daim Zainuddin, a government economic adviser, spoke with investors over the past week.

Back from a trip to Mongolia and Kyrgyzstan, Mr. Mahathir met for 90 minutes Sunday with about 50 fund managers from the United States, Europe and Asia who have been in town since the end of last week for a conference.

Fund managers said that while they were pleased with reforms Malaysia was making, they were not yet sold on the country's economic fundamentals.

After a 20 percent drop in its currency, the ringgit, since early July and a nearly 30 percent loss in share prices since the start of the year, Malaysia has hastily cut back not only on the week-old trading curb but also on several big projects such as the $6.2 billion Bakun dam.

Malaysia's biggest economic problem "is confidence," said David Roche of London-based Independent Strategy. "It needs foreign direct investor confidence and confidence from Malaysians that things are going to get better and that they can invest their money here."

Some fund managers said they expected Malaysia's growth rate to slow from the 8 percent-plus pace seen for almost a decade. Mr. Roche said the long-term growth rate could be around 7.5 percent, while Sean Chan of TCW in Hong Kong said he expected 7 percent to 7.5 percent. Malaysia has insisted it will see more than 8 percent growth in 1997.

(Reuters, Bloomberg)

Honda to Lift Production to Meet Demand

Bloomberg News

TOKYO — Honda Motor Co. said Sunday that it would resume night shifts at its main production base for the first time in five years to meet overseas demand, a move that could further increase trade tension with the United States.

U.S. officials have warned Japan not to increase auto exports to revive its sluggish economy. On Thursday, the Japanese government said the economy contracted 2.9 percent in the second quarter compared with the first, its worst performance in almost 25 years.

Honda reported its best monthly sales ever in the United States in August, with an increase of 38 percent compared with the year-earlier period. Meanwhile, the Big Three U.S. automakers sold 3,385 vehicles in Japan in August, a drop of 26.9 percent.

Japan's current-account surplus, which measures the flow of goods, services, investment income and other transfers, surged by 63 percent in July from the year-earlier period, to 906 billion yen ($7.56 billion).

Strong Sales Mask European Carmakers' Problems

By Barry James
International Herald Tribune

FRANKFURT — Despite the healthy financial performance reported by some manufacturers at the Frankfurt auto show, Europe's carmakers appeared headed for a bumpy ride.

Even market leaders like Volkswagen AG and Daimler-Benz AG are likely to have a hard time staying ahead in a market that is already glutted and increasingly competitive, analysts said.

The industry has largely recovered from a crisis in 1993, when new car sales slipped to 11.25 million units, compared with 13.5 million the previous year. Sales in 1997 are again likely to be in excess of 13 million units, compared with 12.8 million in 1996.

But the Economist Intelligence Unit predicts that sales will decline to 12.5 million units in the year 2000, a loss equivalent to the output of two medium-sized auto plants.

The European Commission estimates that Europe has an excess capacity of some 5 million vehicles a year. Yet in a few years there will be added output from Japanese and possibly Korean rivals that will increasingly move into Europe with the lifting of import quotas at the end of the decade.

While Renault SA recently closed its factory near Brussels because of overcapacity, Toyota Motors Corp. of Japan is planning to build a plant nearby in northern France where there is a heavy concentration of component manufacturers. One of its main targets could be France, where sales of Japanese cars are relatively low because of import barriers, and where the possibility of rapid sales growth is greater. Toyota would become a powerful rival to Renault and PSA Peugeot Citroen SA, and some analysts say the intensified competition could force a merger between the rival French car groups.

At the same time, General Motors Corp. has announced a major expansion plan abroad, and its Adam Opel AG subsidiary in Germany is planning a raft of new models by the end of the decade.

Higher sales this year have not resulted in higher profits for most manufacturers. Instead, the companies have had to cut costs and improve productivity to meet the challenge from lower-priced but often sophisticated imports, such as the cars produced in South Korea and Eastern Europe.

In fact, the healthy figures for 1997 give a misleading impression of the state of the industry because sales were lifted by government aid for new car purchases in Italy and Spain, following a similar boost in France.

Although the French aid was withdrawn 11 months ago, its effects are still being felt, because people who took advantage of government incentives to buy new cars in 1995 and 1996 have not yet returned to the market. Sales in France fell more than 22 percent between January and August compared with the corresponding period last year.

Since the first German auto show 100 years ago, when eight cars, including a Mercedes, were exhibited in a Berlin hotel, no model type has been as successful as the medium-sized family hatchbacks that have ruled European roads for more than two decades.

No large auto manufacturer can afford to neglect the sector, no matter how crowded it is. The Golf sedan, a new version of which has been introduced with much fanfare at the Frankfurt show, accounts for nearly half of Volkswagen's sales. Even Mercedes-Benz, manufacturer of lordly sedans, has entered the compact hatchback market with its new A-series.

Because so many manufacturers are churning out hatchbacks, it is often difficult to differentiate between competing brands. Gone are national peculiarities such as Teutonic stolidity and French eccentricity.

So a problem that all volume carmakers face is how to assert their individuality while making a car that appeals to a broad range of drivers.

Meanwhile, the technology gap between established manufacturers and more recent competitors is closing rapidly. More than 40 percent of the average car is made by subcontractors, the more advanced of which have turned from making components to building entire subassemblies. The latest factories, such as the Mercedes-Benz-Societe Suisse de Micoelectronique et d'Horologie joint venture to build the miniature Smart car, put the automakers and their suppliers on the same site. By incorporating the latest sub-assemblies, even relatively young manufacturers such as some of those in Korea can quickly build up a high level of competence and frequently challenge their European rivals on technology as well as price.

"Any competitive advantage gained through a unique product is very transient," said Volvo's chief executive, Tuve Johannesson. "Even if a company can introduce a distinct product, history shows us that it will not be long before others copy it." He said the use of modular platforms, allowing a variety of car types to be built on the same framework, would accelerate this process.

CYBERSCAPE

Racetracks Place Big Bet on Internet

By Andrew Beyer
Washington Post Service

Although the thoroughbred industry is reputed to be stodgy and resistant to change, it is rapidly embracing some high-tech innovations. Most U.S. racetracks have established sites on the Internet, and one in particular may provide a glimpse of the sport's future.

In many ways the Internet is a perfect medium for the racing industry. People interested in the sport need access to a vast amount of information, and getting it has always been a little difficult. Finding out the results of a race quickly, moreover, often requires the use of cumbersome or expensive telephone result lines. Now, such information can be only a few mouse clicks away.

The Del Mar raceway in Southern California, whose summer racing season ended last week, has been a trailblazer in cyberspace. The track (www.dmtc.com) began last year to offer continuous audio coverage of its entire racing card — Trevor Denman's calls of each race, plus announcements and handicapping analysis in between. The necessary RealAudio software can be downloaded free from the Web site. This year, Del Mar introduced video coverage as well; the closed-circuit television feed appears on the computer screen just as it does on monitors in the track, showing the tote board, post parade and the races themselves. The technology is barely out of the starting gate, and the quality of the video transmission is jerky at best; one viewer described the races as looking "like a big worm swimming in a river."

Nevertheless, the technology is certain to improve, and it won't be long before a racing fan will be able to sit in front of a computer and see everything that he or she could in a simulcast facility.

Besides coverage of its races, Del Mar presents a wide range of information — entries, payoffs, late scratches and changes. It offers handicapping contests for Web site visitors as well as a "chat room."

Many other tracks have developed Web sites that use advanced technologies and display excellent graphics.

Woodbine Race Track in Toronto (www.theojc.on.ca) provides up-to-the-minute odds on its races, plus those of the tracks it simulcasts, principally for the benefit of telephone-betting customers.

Louisiana Downs has developed an excellent Web site (ladowns.com) oriented toward customers who want handicapping information. It publishes daily result charts, complete with footnotes, plus an array of useful data — post-position statistics for all distances, records of trainers with various types of horses, a tabulation of the most successful trainer-jockey combinations.

These may be especially useful for simulcast customers who don't have first-hand knowledge of the track.

As more horseplayers get in the habit of using the Internet, it will be a natural development for racetracks to take wagers via computer. Nobody in the United States has offered off-track betting in this form yet, but it will be simpler and quicker to place bets with a keystroke instead of a phone call.

Besides its usefulness as a vehicle for information and wagers, the Internet may benefit horse racing in another way. It is a common lament that the sport is not attracting new, young fans. But the people it wants to reach are the very people who are most likely to be surfing the Web and are apt to be intrigued by the mathematics involved in handicapping and betting.

"People fluent in using computers tend to like mind games," Mary Shepardson of Del Mar said. Some of them may discover that handicapping the horses can be one of the greatest mind games of all.

Internet address: CyberScape@iht.com

• *Recent technology articles: www.iht.com/IHT/TECH/*

CURRENCY RATES

Sept. 12

Cross Rates

	$	£	DM	FF	Lire	Dfl	BF	SF	Yen	C$	Peseta
Amsterdam	1.2088	1.2273	1.1765	0.3385	0.1156*	—	5.656*	1.3671	1.6585*	1.1432	1.334*
Brussels	36.86	37.85	70.6495	10.143	3.5124*	19.33	—	24.975	0.3045	26.47	24.925*
Frankfurt	1.7829	1.8575	—	0.2975	0.1027*	0.6897	4.5434*	1.2049	1.4714*	1.2524	1.1647*
London (a)	1.4096	—	1.2471	0.5742	0.2722*	0.5457	3.8778	0.2562	154.34	2.2412	2.9166
Madrid	152.257	249.194	82.437	25.098	5.6*2*	74.477	418.778	102.057	124.269*	165.692	—
Milan	1.7125.75	2.792.00	976.75	290.60	—	867.15	47.36	1.181.20	14.423	1.280.47	11.533
New York (b)	—	1.6075*	1.7715	0.5935	1.5330.05	1.1532	2e.41	1.4625	121.69	1.3953	150.57
Paris	5.9547	9.5225	3.3629	—	0.3443*	2.9854	2.1677	4.0964	19.515*	4.3265	3.953*
Tokyo	119.88	191.93	67.32	20.05	0.69	55.77	3.2e.73	81.33	—	86.11	0.7981
Toronto	1.3915	2.2336	0.787	0.2333	0.0805*	0.6479	0.3837*	0.9525	1.1529*	—	0.932*
Zurich	1.4665	2.3546	0.8295	0.2459	0.0847*	0.7065	4.9259*	—	1.2127*	1.0536	0.97*
1 ECU	1.1055	0.6696	1.9676	0.5795	1.421.74	2.2764	40.2853*	1.6275	133.637	1.5362	166.122
1 SDR	1.3699	0.8493	2.4963	0.7351	2.569.34	2.7227	50.1316	2.0575	165.19	1.3972	204.874

Closings in Amsterdam, London, Milan, Paris and Zurich; fixings in other centers; New York and Toronto rates at 4 P.M.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9998	Greek drac.	281.30	Mex. peso	7.776	S. Afr. rand	4.6915
Australian $	1.3879	Hong Kong $	7.7454	N. Zealand $	1.576	S. Kor. won	908.60
Austrian sch.	12.557	Hung. forint	192.96	Norw. krone	7.243	Swed. krona	7.7195
Brazil real	1.0918	Indian rupee	36.49	Phil. peso	32.25	Taiwan $	28.41
Chinese yuan	8.3189	Indo. rupiah	2945.00	Polish zloty	3.48	Thai baht	34.90
Czech koruna	33.66	Irish £	0.6456	Port. escudo	181.46	Turkish lira	169650.
Danish krone	6.801	Israeli shek.	3.4958	Russ ruble	5843.00	UAE dirham	3.671
Egypt. pound	3.3982	Kew dinar	0.3025	Saudi riyal	3.75	Venez. boliv.	495.75
Fin. markka	5.3564	Malay. ring.	2.9640	Sing. $	1.516		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6001	1.5985	1.5964	Japanese yen	120.79	121.26	119.76
Canadian dollar	1.3868	1.3863	1.3842	Swiss franc	1.4739	1.4755	1.4735
Deutsche mark	1.7826	1.7785	1.7754				

Sources: ING Bank (Amsterdam); Ceres Investment Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo).

EXHIBITION CENTRE
PARIS-NORD Villepinte
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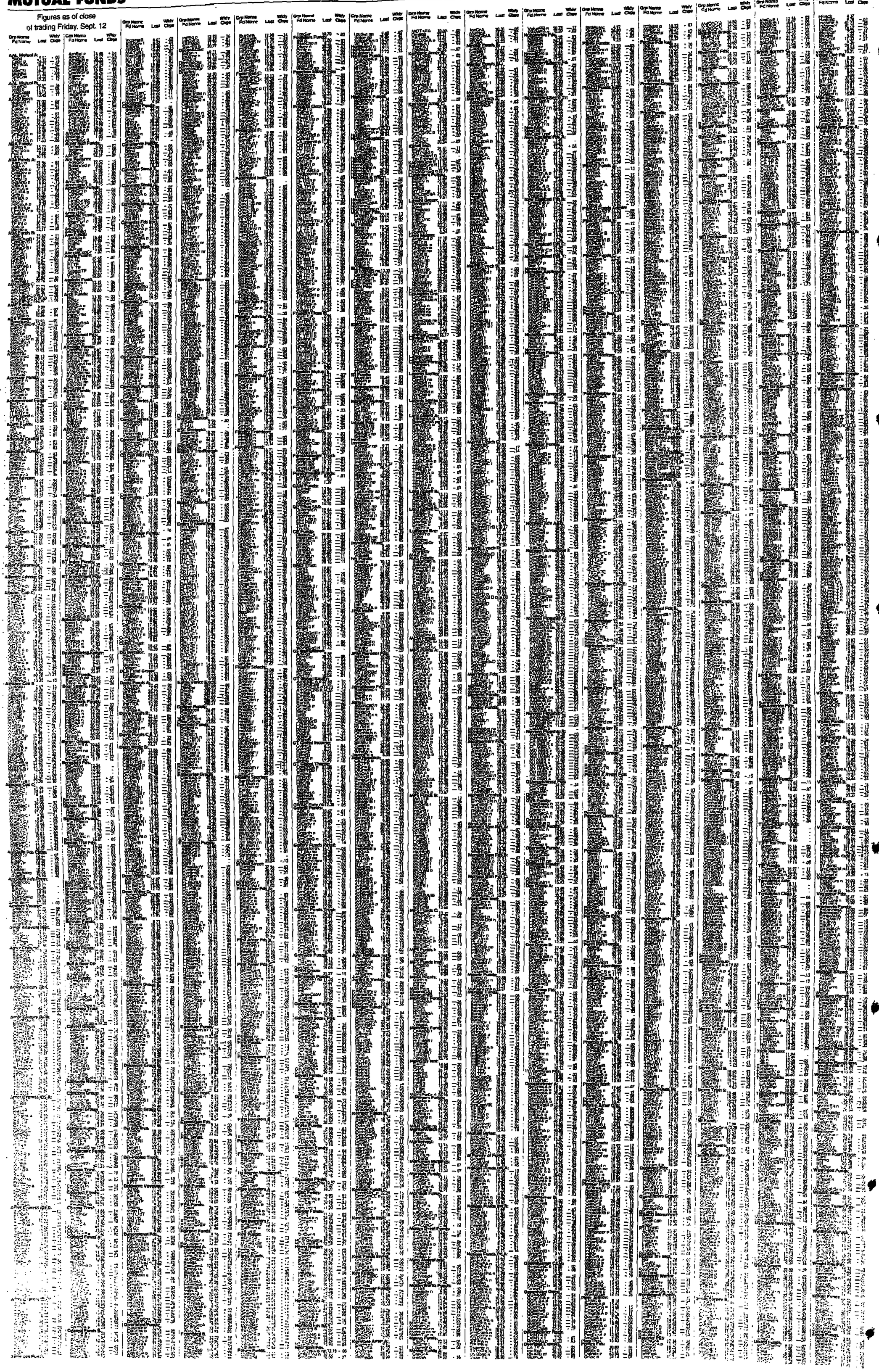
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EQUIP'HOTEL - International Show for Hotels, Restaurants, Cafés and Catering Industries	18 - 23 SEPTEMBER 97
POLLUTEC - 13th International Exhibition of Environmental Equipment Technology and Services for Industry	30 SEPTEMBER - 3 OCTOBER 97
INDIGO - International Exhibition of Creation and Design for Fashion and Decoration	4 - 7 OCTOBER 97
MOD'AMONT - Fashion Supplies and Trimming Trade Fair	4 - 7 OCTOBER 97
PREMIERE VISION - LE SALON - The World's Premier Fabric Show ©	4 - 7 OCTOBER 97
EQUIP'AUTO - 13th International Exhibition of New Technologies of Original Equipment, Spare Parts, Accessories and Garage Equipment	15 - 20 OCTOBER 97
BATIMAT - International Building Exhibition	3 - 8 NOVEMBER 97
INTERCLIMA - International Heating, Refrigerating and Air-Conditioning Exhibition	3 - 8 NOVEMBER 97
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EUROPLAST - 10th International Exhibition for Plastics, Rubber and Composite Materials	24 - 28 NOVEMBER 97
MIDEST - The International Subcontracting Exhibition	24 - 28 NOVEMBER 97
MAISON&OBJET - The International Home Decoration, Giftware and Tableware Exhibition	9 - 13 JANUARY 98
CONFORTEC INTERNATIONAL - Trade Show for Household Appliances	25 - 28 JANUARY 98
JOUET - International Toy Fair	29 JANUARY - 2 FEBRUARY 98
EXPOBOIS - International Exhibition of Woodworking Machinery Manufacturers and Timber Industries	20 - 24 FEBRUARY 98
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INDIGO - International Exhibition of Creation and Design for Fashion and Decoration	6 - 9 MARCH 98
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MUTUAL FUNDS

Figures as of close of trading Friday, Sept. 12



U.S. Insurer Spruces Up For a Sale

By Joseph B. Treaster
New York Times Service

NEW YORK — Six years after Mutual Benefit Life Insurance Co. became the largest U.S. insurance company ever to collapse, the company has been revived and is expected to announce Monday that it is for sale.

No price has been established, but investment bankers estimate that the company could bring as much as $1.5 billion.

The book value, or net worth, of the company is about $500 million, and life insurers have sold recently for up to two and a half to three times book value.

Analysts and bankers said they expected the availability of the insurer to create considerable interest.

"Everybody in the business is looking to achieve economies of scale," one banker said. "The size is right. It's large enough, but not so large as to knock out a lot of potential buyers."

A sale will be subject to the approval of major creditors, the New Jersey Superior Court and Elizabeth Randall, the commissioner of banking and insurance in New Jersey. Ms. Randall, who, at the direction of the court has been presiding over the recovery as chairman of Mutual Benefit, said the company had fully recovered and was ready to resume normal operations, more than two years before the target date of Dec. 31, 1999.

Larry Mayewski, an analyst at A.M. Best Co., a rating agency, said that potential buyers might include some of the big mutual life insurance companies, such as Prudential Insurance, Metropolitan Life, New York Life and John Hancock.

Odd Couple Stands Out in Currency Game

By Carl Gewirtz
International Herald Tribune

PARIS — A currency pairing that has rarely attracted attention created a sensation by sweeping into the leading position in the foreign-exchange market last week.

The emergence in the limelight of the Deutsche mark-yen rate was stunning for two reasons. By assuming the dominant role against the yen, the mark was able to break free from its tight linkage to the dollar. And in so doing, the mark gave traders a glimpse of what a passive victim the dollar might become if the euro, the European Union's planned common money, emerged as a strong currency.

The long-standing leading cross rates in the currency market are dollar-mark, dollar-yen, dollar-sterling and dollar-Swiss franc. Befitting its role as the world's leading currency, the dollar is a party to each of them. These couplings are significant because a change in the dollar-mark relationship, for example, will affect the mark's relationship with other currencies — which is why Europe is so determined to replace the mark with the euro.

Just how detrimental these couplings can be to outsiders was demonstrated last week, when the dollar tumbled 1.8 percent against the mark simply as an innocent bystander to the fallout from the coupling of the mark with the yen.

This odd couple owes its sudden popularity to politics.

For currency traders, the yen is a sure loser. Japan's economy contracted at an annual rate of 11.2 percent in the second quarter despite record low official interest rates of only 0.5 percent. With the nation's banks still suffering from bad loans contracted during the boom of the 1980s and new losses likely from troubles now engulfing Southeast Asia, there is no prospect that interest rates will rise soon.

Thus, paying 0.5 percent to borrow yen that can only depreciate in value and to then sell them for dollars (earning 5.5 percent) or sterling (7.2 percent) or marks (3.2 percent) remains a compelling opportunity.

But for all the certainty that the yen can only keep depreciating, there is considerable concern about how much it can move against the dollar. This was demonstrated with force early last week when the dollar tumbled 2.5 percent against the yen after U.S. Deputy Secretary Treasury Lawrence Summers indicated that Washington wanted to see a Japanese recovery led by rising domestic demand and not by rising exports fueled by a weak currency.

The safest way to bet on yen weakness is not against the dollar, but against the mark. It works this way: Yen are sold for dollars, and dollars are sold for marks. On Friday, the dollar rose 1.2 percent in Tokyo to 121 yen and the dollar fell 0.5 percent to 1.7715 DM. The mark rose 1.7 percent, to 68.3 yen per DM.

"With the dollar caught between the hammer of the mark and the anvil of the yen," says Jonathan Wilmot at CS First Boston, the foreign exchange market "is getting a foretaste of what it could be like, trading as a bystander" in a system where the euro is the key currency partner.

For the week, the dollar lost 1.8 percent against the mark. Now trading at a level last seen in mid-July, the dollar itself has become a worry, and Paul Meggyesi at Deutsche Morgan Grenfell reported that institutional investors positioned for a continuing dollar rally "are scaling back aggressive positions."

Technical analysts are in the forefront of the worriers. John Taylor at FX Concepts said he expected the dollar to retreat to 1.60 DM by the end of the year. But Simon Crane, a trading adviser to banks, insisted that rates were moving because of weakness in the yen rather than the dollar and said he did not expect the U.S. currency to fall below 1.74 DM.

At J. P. Morgan, Ron Leven said the dollar was only experiencing a correction and was set for a rebound to test the year's high of 1.89 DM once the Federal Reserve Board raised U.S. interest rates, which he said was most likely to occur in November. Without such a rate hike, he said, the dollar's rally from its mid-1995 low of 1.3720 DM "is over."

Internet Can Be a Tangled Web of Stock Fraud

By Leslie Eaton
New York Times Service

INVESTING

NEW YORK — Be careful what you say about stocks over the Internet — you could be inadvertently furthering a securities fraud. And if there is nothing inadvertent about your comments, you could end up spending a year in jail.

That, at least, is what is happening to Theodore R. Melcher, 51, who until late last year published an Internet investing newsletter called SGA Goldstar Whisper Stocks.

The newsletter had only a few hundred subscribers, but it was copied and posted all over Internet bulletin boards and in chat rooms devoted to "talking" about stocks.

Perhaps unwittingly, those who disseminated the newsletter on the Internet were helping to perpetrate securities fraud, federal prosecutors say. They say Mr. Melcher secretly received stock in the companies he was praising in the newsletter — stock that he sold while urging investors to buy.

The most notorious of Mr. Melcher's stock selections was Systems of Excellence, better-known as SEXI, its stock symbol. In part because of his efforts, the stock zoomed from about 27 cents a share in January 1996 to almost $5 by mid-1996 before regulators halted trading; SEXI shares now go for about 1 cent each, and the company has filed for bankruptcy-law protection.

Mr. Melcher has been sentenced to 12 months in prison and ordered to pay a $20,000 fine. His lawyer did not return telephone calls seeking comment. The Securities and Exchange Commission filed a civil suit against Mr. Melcher in November and is trying to get him to pay back roughly half a million dollars that it contends he made by selling SEXI shares.

Helen Fahey, the U.S. attorney for eastern Virginia, said the SEXI case "should be a clear signal to those who use the remarkable technology of the Internet to snare vulnerable citizens in a worldwide web of deception."

SHORT COVER

Beijing Schedules Cuts in Tariffs

BEIJING (Reuters) — China said Sunday it would slash tariffs to an average of 17 percent from 23 percent in a move that is scheduled to take effect Oct. 1 and is aimed at accelerating its long-stalled effort to join the World Trade Organization.

"The move fully demonstrates China's determination and confidence in taking part in international competition and cooperation with a more open attitude," the Xinhua news agency said. China has been seeking to join the world trade body on the easier terms offered to developing countries, but its application has been held up by opposition from Western nations led by the United States.

Israelis Strike Over Pension Changes

JERUSALEM (Bloomberg) — Israeli union representatives began limited strikes in what officials said could become a "long-term" struggle against the government's plans to reform pensions and overhaul the economy.

Those striking Sunday included employees of Bezeq Ltd., the state-controlled phone company, and Israel Electric Corp., the state-owned utility. The Histadrut, a labor federation, is protesting planned pension revisions and measures believed to threaten jobs.

Boeing Sues US Airways Group

SEATTLE (Reuters) — Boeing Co. has sued U S Airways Group Inc. over the carrier's decision to cancel an order for 48 of the manufacturer's jets and to place a large order with its European rival, Airbus Industrie.

Boeing said Saturday it had filed suit in Washington state charging that the airline had refused to make payments on eight Boeing 757s and 40 Boeing 737s that had been on order and were valued at about $2.2 billion. U S Airways said it would "vigorously defend" its position.

U.S. Targets J.P. Morgan Trader

NEW YORK (NYT) — Federal authorities arrested a 25-year-old junior analyst at J. P. Morgan & Co. and charged him with insider trading. The government said he had made illegal profits of more than $350,000.

The Morgan employee, Roy Handojo, is an Indonesian citizen who was working in Manhattan. Federal prosecutors said Friday he had traded securities of three companies that were involved in confidential merger negotiations.

For the Record

• **Thailand's** Communications Ministry will submit plans for the privatization of the state telephone organization to the council of economic ministers, local dailies reported. *(AFP)*

• **United Saudi Commercial Bank** and **Saudi Cairo Bank** have concluded the first banking merger in Saudi Arabia. *(Reuters)*

BANKER: *World Bank Chief Shifts Focus to Seek Smaller Projects That Include Private Expertise*

Continued from Page 13

institution on the big question of what role it should play when official development efforts have been discredited by their own spotty record and are being made increasingly irrelevant by huge pools of private capital flowing into developing nations.

"He's a breath of fresh air," said Justin Forsyth, director of Oxfam International, one of the biggest nongovernmental organizations working on development programs around the world.

"He genuinely wants to make a difference and to make his mark by turning the bank around and making it an institution that effectively tackles poverty," Mr. Forsyth said.

After just 26 months on the job, Mr. Wolfensohn, 63, has become the most activist and publicly visible president the institution has had since Robert McNamara stepped down in 1981.

He has urged top officials to move from Washington to the countries they are responsible for helping. He is requiring hundreds of senior managers to go through several weeks of business courses on how companies that fail to adapt to change tend to land on the ash heap of history. The courses are followed by a week's stay in a poor village or slum.

As many as 700 people, or 7 percent of the bank's work force, could lose their jobs in a continuing reorganization intended to make the agency more nimble and efficient.

Mr. Wolfensohn has made clear that advancement at the bank will no longer be based on success in getting loans approved by the board but by the long-term success of loan programs in improving living standards.

He wants the bank to see itself as a facilitator and partner — with governments, other development agencies, grass-roots groups and other nongovernmental organizations and with the companies, investors and other sources of private capital that have transformed Asia and Latin America.

In 1990, official development assistance from all sources totaled $56.3 billion, compared with $44.4 billion in private capital sent to emerging markets. By last year, private capital flows had swollen to $243.8 billion — nearly a sixfold increase — while official development aid had dropped to $40.8 billion, almost half of it from the World Bank.

"It stands to reason that if our money is limited and there is great potential for the private sector, we must think in terms not just of what we do but how we can leverage what we do with the private sector," Mr. Wolfensohn said.

French Retailer Sticks to Bid

Bloomberg News

PARIS — The battle of the French supermarket chains appears to be at an impasse: Promodes SA said it would not raise its bid of 27.8 billion francs ($4.6 billion) for Casino SA and Rallye SA in response to a counteroffer by Rallye for Casino.

Promodes made the statement following Saturday's decision by the founding family of Casino to reject the Promodes offer, saying it would accept the rival offer from Rallye once French stock regulatory authorities approved it. The family controls 16 percent of Casino's voting rights. Rallye already owns 33.2 percent of Casino.

"Our bid stands as is," a Promodes spokesman said. The purchase would have made it France's largest retailer.

EUROPE: *Finance Ministers Advance Calendar for the Euro*

Continued from Page 1

president of France, in an interview with the German magazine Focus.

The EU commissioner in charge of monetary affairs, Yves-Thibault de Silguy, insisted at the meeting here that there would be no delay in the scheduled starting date for the euro in January 1999.

"The euro will arrive on time," he said. "Those who believe it won't have bad intentions or are badly informed."

European Commission officials acknowledge that they still have a lot of work to do before the average European will be persuaded of the benefits of trading in his or her marks, francs or guilders for the still-abstract euro. In fact, not before the middle of 2002 will euro coins will jingle in their pockets.

But as of Jan. 1, 1999, the euro will be the official currency of the countries joining the monetary union, and it will be the official unit of exchange among banks and financial institutions.

In other words, there will not be an exchange rate between French francs, Deutsche marks and other currencies in the single-money system.

The national currencies will endure for a while, but they will be merely expressions of a common reality.

It might have been more straightforward simply to set the conversion rate for the euro and apply it immediately, rather than waiting until January 1999, but this could not be done for a technical reason.

The euro will replace an existing form of exchange called the European currency unit, which is based on the currencies of the 12 countries that were members of the European Community before the entry of Austria, Sweden and Finland.

Some of those countries will be in the monetary union, and some will choose not to join or fail to meet the criteria and be outside.

It will take time to establish the relationship between the two groups.

The exchange rate between the euro and external currencies, such as the dollar, will not be known, of course, until the euro comes into being.

The time period between the selection of monetary union members and the start date for monetary union could leave some opportunities for speculators, but Mr. de Silguy said central bankers had prepared an "arsenal" of measures to deal with this. At the same time, he said, the fact that markets would know months in advance what the conversion rate between euro currencies will be in January 1999 will encourage exchange-rate stability and hasten the convergence between the economies of the countries within the monetary system.

But as economies come closer together, the factors that cause them to diverge will come increasingly under the spotlight. Fiscal policy is one such issue. At its simplest, tax discrepancies are illustrated by the hordes of Britons lining up to buy cheap beer and liquor at giant supermarkets in Calais, or the Belgians lining up at Luxembourg stations to fill up with cheaper gasoline. But it is also a question of governments dangling tax concessions to attract investment to the detriment of their EU partners.

The European Commission is proposing a code of conduct to prevent tax abuses, but Luxembourg, which is in the EU chair, wants to add teeth to the measure. The irony is that Luxembourg, which allows secret banking and does not tax bonds, is a major contributor to fiscal disputes in the EU.

Mario Monti, the commissioner in charge of tax matters, warned that failure to coordinate fiscal policy would "sow the seeds of political conflict" among member countries and "damage integration."

Another cloud on the horizon is the desire of Germany and the Netherlands to lighten their burden as net contributors to the EU budget.

The issue has not reached the acrimonious proportions of the 1980s row when Prime Minister Margaret Thatcher of Britain banged her handbag on the conference table and demanded, "We want our money back!"

But Jacques Santer, the president of the commission, was concerned enough about the budding conflict to appeal for the debate to be postponed while the commission conducted negotiations for the entry of Cyprus and five nations in Eastern Europe.

That could entail the diversion of funds away from present recipients such as Spain and Ireland to the candidate nations.

IN THE HIGH COURT OF HONG KONG

COURT OF FIRST INSTANCE

COMPANIES (WINDING-UP)
NO. CWU218 OF 1991

IN THE MATTER of the Banking Ordinance
(Chapter 155 of the Laws of Hong Kong)

and

IN THE MATTER of the Companies Ordinance
(Chapter 32 of the Laws of Hong Kong)

and

IN THE MATTER of Bank of Credit and Commerce Hong Kong Limited ("BCCHK")

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NOTICE is hereby given that by Order of the High Court of Hong Kong Court of First Instance dated 28th July 1997, 31st December 1997 was fixed to be the date on or before which creditors of BCCHK who have not yet lodged their claims are to prove their debts or claims. Any creditor who has not proved his debt or claim on or before the said date will be excluded from the benefit of the distribution made next after that date and from the benefit of any previous distribution.

A.R. Hearder,
Official Receiver and Liquidator

Dated this 5th day of August 1997

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Consolidated prices for all shares traded during week ended Friday, Sept. 12

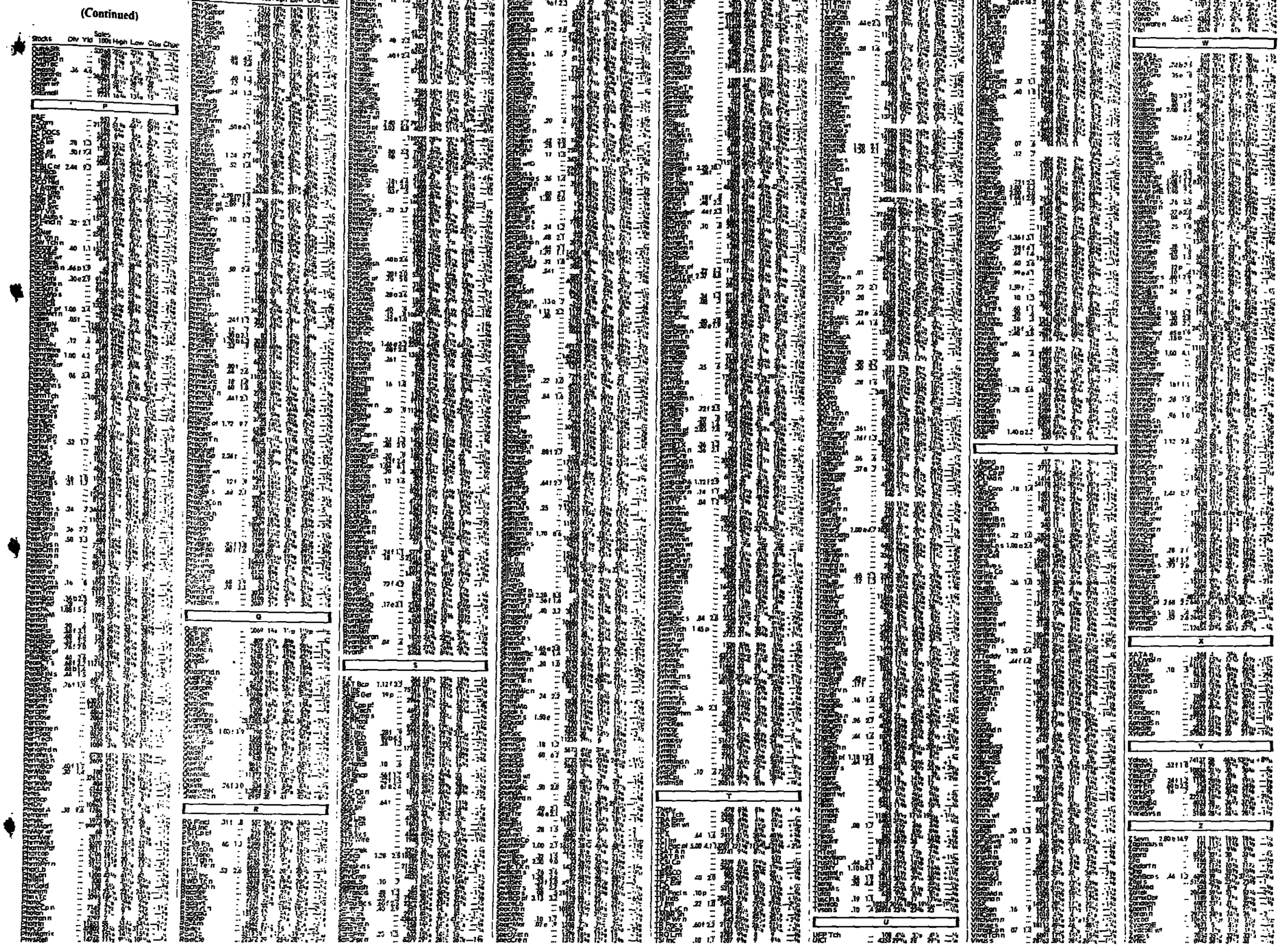
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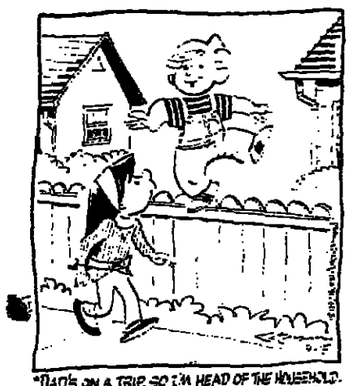
Consolidated prices for all shares traded during week ended Friday, September 12

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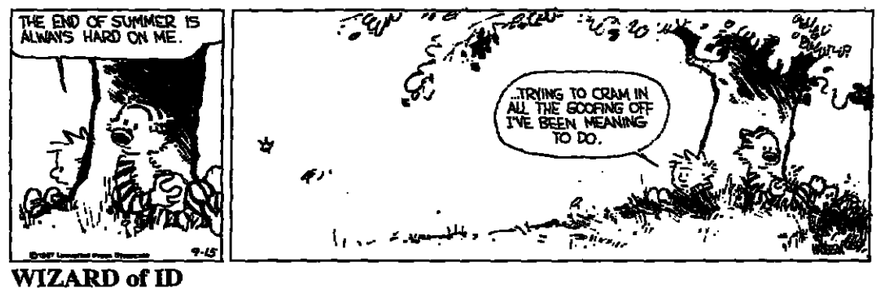
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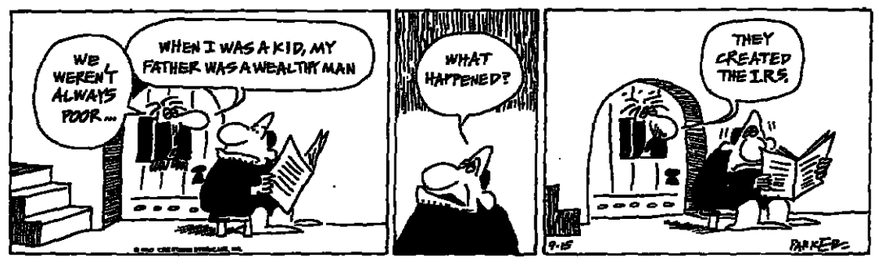
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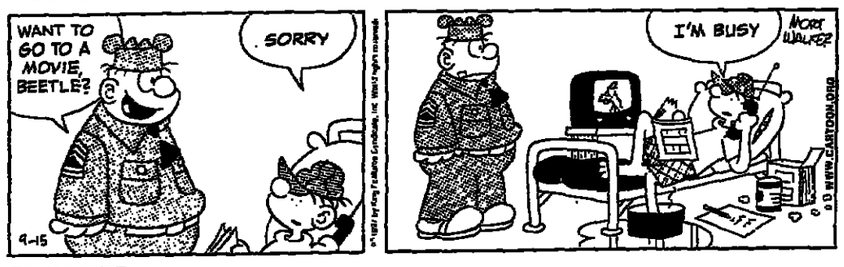
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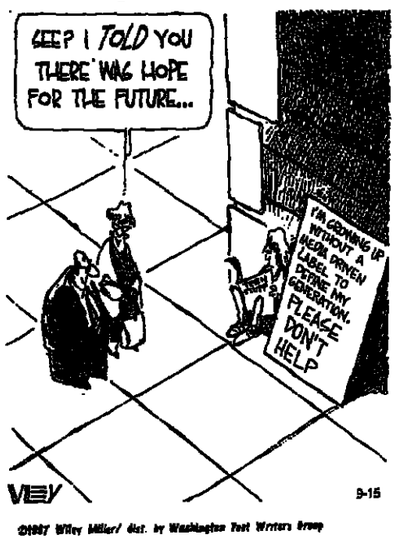
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De La Hoya's Artillery Cuts Down Camacho

By Tim Kawakami
Los Angeles Times Service

LAS VEGAS — A fierce and fine-tuned Oscar De La Hoya cut loose, and all but cut down and conked out Hector Camacho.

It was no knockout, but there were plenty of knocks.

In a test of De La Hoya's ability to sustain the firepower — and Camacho's will to remain upright though logic and health dictated otherwise — De La Hoya punished Camacho, earning a dominant, unanimous-decision victory before 13,644 at Thomas & Mack Center on Saturday night to retain his World Boxing Council welterweight title.

Though De La Hoya had predicted a seventh-round knockout, his overwhelming aggression was a complete departure from his deferential, relatively disappointing (and disputed) decision last April over Pernell Whitaker, another slippery veteran left-hander.

"He earned it," a swollen-faced Camacho said afterward. "He did everything he said he was going to do, except he didn't knock me out." He almost did, which would have been the first knockout loss in Camacho's 69-fight career.

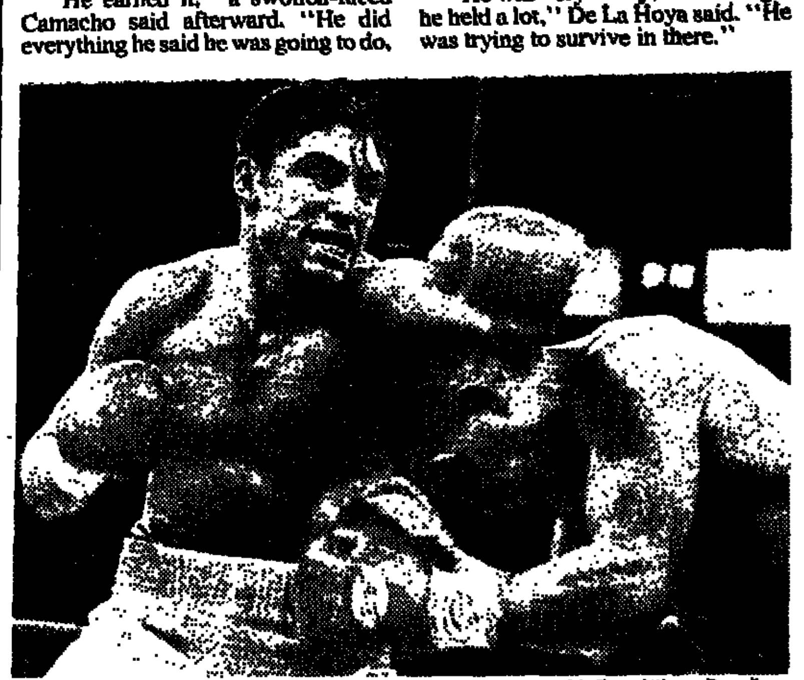
Absorbing a devastating attack to his body and face, Camacho, who won only a single round on any of the three judges' cards — he was shut out on the other two — went down for the second time in his career in the ninth round.

But the 35-year-old Camacho scrambled to his feet, survived several other near-flops, stayed on his feet by grappling onto De La Hoya, and did not go down again.

Seemingly wanting to inflict as much pain as possible, De La Hoya wrapped up the final three rounds by unleashing the most focused body attack of his career, cracking dozens of left hooks to Camacho's right rib cage.

Camacho (64-4-1) was penalized a point by referee Richard Steele for holding in the final round, which De La Hoya said came far too late.

"He was very tricky, but I thought he held a lot," De La Hoya said. "He was trying to survive in there."



John Gurzinski/Agence France-Presse

Oscar De La Hoya landing a blow to the head of Hector Camacho in a successful defense of his World Boxing Council welterweight title.

Baggio Scores Twice, but It's Not Enough To Beat Inter

The Associated Press

Ronaldo found the target for the first time in Serie A on Sunday with a spectacular goal as Inter Milan overcame two Roberto Baggio goals to beat host Bologna, 4-2, for its second victory in as many games.

The Brazilian, who transferred from Barcelona over the summer in a deal that cost Inter more than $55 million, dribbled past Bologna defender Massimo Paganin before unleashing a shot that flew just inside the near post to give the visitors a 3-1 lead in the 51st minute.

EUROPEAN SOCCER

Fabio Galante, Maurizio Ganz and French international Yuri Djorkaeff scored Inter's other goals, while Baggio — once as highly priced and feared as Ronaldo — scored in the 43d minute and converted a penalty in the 57th. Baggio, 30, has flourished with Bologna after languishing on the bench much of the past two seasons with AC Milan.

Inter is joined atop the standings by Fiorentina, which has a matching 2-0-0 record and the same goal differential after a 3-1 victory over Bari. Argentine striker Gabriel Batistuta tallied twice and has a league-best five goals.

Elsewhere, rookie Cristiano Lucarelli scored twice, including the equalizer in the 62d minute, as upstart Atalanta of Bergamo drew 2-2 at AC Parma.

In other games Sunday, Vicenza defeated Piacenza, 3-2, and Napoli beat Empoli, 2-1.

On Saturday, once-mighty AC Milan settled for a 1-1 draw against Lazio of Rome when the visitors' Giuseppe Signori scored on a penalty kick in injury time.

NETHERLANDS Champions League contenders PSV Eindhoven and Feyenoord Rotterdam both lost ground in the Dutch premiers division Sunday, settling for a 1-1 tie.

After five rounds, Ajax leads the division on 15 points, with Feyenoord second on 11 and PSV sixth on 9.

Ulrich van Gobbel, the Dutch international defender who returned to Feyenoord from Southampton this summer, broke through to score after 21 minutes.

But the Rotterdammers tried to sit back on the lead, and a Chris van der Weerden solo run earned PSV a penalty after the break. Wim Jonk made no mistake from the spot, and PSV pressed hard for a victory at the end.

Yugoslav Nebojsa Gudelj's winner two minutes from time gave NAC Breda a 1-0 victory at De Graafschap Doetinchem in Sunday afternoon's other clash.

ENGLAND Rod Wallace scored twice as Leeds upended Blackburn, 4-3, Sunday in the Premier League, leaving the Rovers in second place behind defending champion Manchester United.

The loss for the Rovers at home — a match that featured all seven goals in the first half — left Blackburn with 13 points to 16 for Manchester United.

Wallace opened the scoring in the 3d minute, and Robert Molenaar made it 2-0 in the 6th.

Blackburn's Kevin Gallacher made it 2-1 in the 8th minute — his sixth of the season — and Blackburn's Chris Sutton equalized eight minutes later. It was Sutton's seventh goal to lead the Premier League.

Instead of calming down, the match carried on at a frantic pace with Wallace scoring again in the 17th to push Leeds up 3-2. David Hopkin made it 4-2 in the 23d before Martin Dahlin scored for Blackburn in the 33d.

Leeds, after three losses in a row, became the first team to beat Blackburn this season. Manchester United and Arsenal are the only teams left without losses.

Sunday in the First Division, Sunderland won at Birmingham, 1-0, on a goal in the 72d by Michael Gray.

On Saturday, Ian Wright scored a hat trick to become Arsenal's all-time scoring leader with 180 goals, surpassing the record of 178 set 51 years ago by Cliff Bastin. The goals pushed Arsenal to a 4-1 home victory over Bolton.

Manchester United defeated West Ham 2-1. The West Ham goal by John Harston was the first yielded in 693 minutes by Manchester United goalkeeper Peter Schmeichel. Roy Keane and Paul Scholes scored for the winners.

In the biggest upset Saturday, Newcastle, which had played only two games and won them both, fell 3-1 at home to Wimbledon. It was Wimbledon's first victory of the season — the last of the 20 Premier League teams to get a victory this season.

Liverpool downed Sheffield Wednesday, 2-1. Paul Ince scored in the 55th, and Michael Thomas gave Liverpool a 2-0 lead in the 68th. Sheffield Wednesday's only goal was by Wayne Collins in the 80th.

GERMANY Bayern Munich, despite being outplayed in stretches, beat last-place Hertha Berlin, 3-0, on Saturday to take over first place in the Bundesliga.

Munich's new Brazilian striker, Giovane Elber, shot the team ahead 1-0 just before the half, but Berlin dominated play after the break as midfielder Kjetil Rekdal's rocket from 18 meters ricocheted off the crossbar.



Ian Hodgson/Reuters

Liverpool's Karlheinz Riedle, left, was sent flying by Sheffield Wednesday's Jim Magilton. Liverpool won, 2-1.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

EAST DIVISION	W	L	Pct.	GB
Baltimore	90	55	.621	—
New York	83	63	.568	7½
Boston	72	75	.490	19
Detroit	72	76	.486	19½
Toronto	71	77	.480	20½
CENTRAL DIVISION				
Cleveland	77	66	.538	—
Chicago	73	75	.493	6½
Milwaukee	72	74	.493	6½
Kansas City	60	85	.414	18
Minnesota	59	87	.404	19½
WEST DIVISION				
Seattle	82	67	.550	—
Anaheim	76	72	.514	5½
Texas	70	78	.473	11½
Oakland	61	88	.409	21

NATIONAL LEAGUE

EAST DIVISION	W	L	Pct.	GB
Atlanta	91	56	.619	—
Florida	85	61	.582	5½
New York	80	67	.544	11
Montreal	74	73	.503	17
Philadelphia	59	87	.404	31½
CENTRAL DIVISION				
Houston	75	72	.510	—
Pittsburgh	71	77	.480	4½
St. Louis	68	79	.463	7
Cincinnati	67	80	.456	8
Chicago	62	86	.419	13½
WEST DIVISION				
San Francisco	82	66	.554	—
Los Angeles	81	67	.547	1
Colorado	76	72	.514	6
San Diego	70	78	.473	12

FRIDAY'S LINESCORES

AMERICAN LEAGUE

Boston 120 000 010—4 9 2
Milwaukee 010 010 000—2 6 0
Suppan, Wasdin (6), Mahay (7), Corsi (8), Gordon (9) and Hatteberg; D'Amico, Fetters (7), Davis (8), Do.Jones (9) and Matheny, Stinnett (8). W—Suppan, 7-2. L—D'Amico, 8-6. Sv—Gordon (6). HRs—Boston, Garciaparra 2 (28), O'Leary (15), Hatteberg (9).

Cleveland 020 041 002—9 14 0
Chicago 000 000 000—0 3 0
Jr.Wright, Shuey (8) and Borders; Drabek, Levine (5), J.Darwin (7) and Fabregas. W—Jr.Wright, 7-3. L—Drabek, 10-11. HRs—Cleveland, Ramirez (25), Thome (39), Ma.Williams (32).

New York 132 001 400—11 17 2
Baltimore 011 000 030—5 12 2
Mendoza, Lloyd (8), Stanton (8) and Posada. Erickson, Rhodes (3), Boskie (6), Br.Williams (7) and Webster, C.Greene (8). W—Mendoza, 6-6. L—Erickson, 16-6.

Minnesota 000 202 000—5 9 2
Texas 012 010 11x—6 8 1
Tra.Miller, Fr.Rodriguez (6), Swindell (7), Ritchie (8) and D.Miller; Burkett, Whiteside (6), Gunderson (7), W. Heredia (7), Bailes (8), Santana (8), Wetteland (9) and I. Rodriguez. W—Santana 4-5. L—Swindell, 7-4. Sv—Wetteland (29). HRs—Minnesota, Coomer (10). Texas, JuGonzalez (35).

Toronto 000 000 300—3 8 0
Seattle 011 001 04x—7 10 1
Clemens, Crabtree (8) and O'Brien; Olivares, Spoljaric (7), Timlin (7), Ayala (7), Slocumb (9) and R. Wilkins, Da.Wilson (7). W—Ayala, 10-4. L—Clemens, 21-6. HRs—Seattle, E. Martinez (26), Sorrento (28).

Kansas City 010 200 100—5 9 2
Anaheim 220 100 30x—8 6 1
Rosado, Bones (6), Service (7), Whisenant (7), Bevil (8) and M.Sweeney; Watson, Hasegawa (4), DeMay (7), P.Harris (7), Percival (9) and Kreuter. W—P. Harris, 2-4. L—Bones, 3-6. Sv—Percival (24). HRs—Kansas City, J. King (23), Palmer (21), Y. Benitez (8). Anaheim, Kreuter (4).

Detroit 300 001 111—7 16 0
Oakland 000 010 010—2 8 2
Keagle, M. Myers (8), Miceli (8) and Casanova; Ludwick, A. Small (7), Mohler (9) and Mayne. W—Keagle, 2-4. L—Ludwick, 1-2. Sv—Miceli (2). HRs—Detroit, Fryman (20). Oakland, Spiezio (12).

NATIONAL LEAGUE

Cincinnati 001 000 300—4 9 0
Philadelphia 000 000 020—2 6 0
Remlinger, Belinda (8), Shaw (9) and Fordyce, J.Oliver (8); Stephenson, Winston (7), Gomes (7), Ryan (9) and Lieberthal. W—Remlinger, 7-8. L—Stephenson, 6-6. Sv—Shaw (35). HRs—Cincinnati, Stynes (5), Edu.Perez (15).

Second game

Cincinnati 000 000 001—1 5 4
Philadelphia 004 020 20x—9 14 0
Schourek, Fe.Rodriguez (5), Winchester (6), Crowell (8) and J.Oliver; M.Leiter and Estalella. W—M. Leiter, 10-15. L—Schourek, 5-8. HR—Philadelphia, Estalella (4).

Chicago 001 000 000—1 6 0
Pittsburgh 110 010 00x—3 5 0
Batista, R. Myers (5), Bottenfield (8) and Servais; Schmidt, Loiselle (9) and Kendall. W—Schmidt, 9-7. L—Batista, 0-4. Sv—Loiselle (26).

San Francisco 000 100 000—1 6 1
Florida 000 000 000—0 8 2
Rueter, Tavarez (6), R.Hernandez (8), Beck (9) and B. Johnson; L.Hernandez, Cook (8) and C.Johnson. W—Rueter, 12-6. L—L. Hernandez, 9-1. Sv—Beck (37).

Colorado 000 000 002—2 7 0
Atlanta 000 100 000—1 8 1
Thomson, M. Munoz (8), Dipoto (9) and Manwaring, Je.Reed (8); G.Maddux, Wohlers (9), Cather (9) and Edd.Perez. W—M. Munoz, 3-3. L—Wohlers, 5-6. Sv—Dipoto (14). HR—Atlanta, Klesko (23).

San Diego 001 000 010—2 13 0
St. Louis 020 101 00x—4 7 0
Ashby, Kroon (7), D. Veres (8) and C. Hernandez, Flaherty (8); Morris, Fossas (7), C. King (8), Eckersley (9) and Difelice. W—Morris, 10-8. L—Ashby, 8-11. Sv—Eckersley (35). HR—St. Louis, Lankford (28).

Los Angeles 000 200 010—3 9 1
Houston 002 030 32x—10 10 1
Park, Dreifort (5), Guthrie (7), Hall (7), Harkey (8) and Piazza; Reynolds, R.Springer (8), B. Wagner (9) and Ausmus. W—Reynolds, 7-10. L—Park, 13-7. HRs—Los Angeles, Piazza (35). Houston, De.Bell (14).

Expos 020 000 000 000 001—3 7 1
N.Y. 000 000 020 000 000—2 12 2
15 innings
M.Valdes, Kline (7), Telford (7), Bullinger (9), DeHart (12), Paniagua (14), Urbina (15) and Chavez; BJ.Jones, Lidle (8), McMichael (10), Rojas (12), Crawford (15) and Pratt. W—Paniagua, 1-2. L—Crawford, 2-2. Sv—Urbina (25). HR—Montreal, R. White (23).

SATURDAY'S LINESCORES

AMERICAN LEAGUE

New York 000 000 001—1 3 0
Baltimore 300 010 00x—4 7 1
Kn.Rogers and Posada; Mussina and Holles. W—Mussina, 14-7. L—Kn.Rogers, 6-7. HRs—Baltimore, Walton (1), R.Palmeiro (34), Surhoff (17).

Cleveland 210 001 110—6 16 1
Chicago 213 001 00x—7 10 2
Hershiser, A. Lopez (4), Morman (6), M. Jackson (7), Assenmacher (8), Plunk (8) and S. Alomar; Sirotka, N. Cruz (6), McElroy (7), Foulke (8), Karchner (9) and Machado. W—Sirotka, 2-0. L—Hershiser, 13-6. Sv—Karchner (15). HR—Cleveland, S. Alomar (18).

Detroit 000 010 100—2 8 0
Oakland 000 210 01x—4 7 0
Blair, Duran (8), Jarvis (8) and Walbeck; Telgheder, Groom (6), Witasick (7), Mohler (8), Taylor (8), T.J.Mathews (9) and Mayne, Molina (9). W—Telgheder, 3-3. L—Blair, 16-7. Sv—T.J.Mathews (2). HRs—Oakland, Grieve (1), Brito (2).

Kan. City 000 000 100 000 2—3 9 2
Anaheim 000 010 000 000 0—1 11 2
13 innings
Pittsley, Haney (6), Pichardo (8), J. Montgomery (9), Olson (12), Bevil (13) and Macfarlane, M.Sweeney (9); Dickson, Chavez (7), James (8), Percival (9), P.Harris (10), Cadaret (11), DeLucia (11), Bovee (13) and Kreuter, Encarnacion (9). W—Olson 3-2. L—DeLucia 6-4. Sv—Bevil (1). HR—Kansas City, Dye (7).

Minnesota 200 000 001—3 8 2
Texas 011 122 00x—7 12 0
Tewksbury, Naulty (3), Robertson (7), Aguilera (8) and Steinbach, Valentine (8); D.Oliver and H. Mercedes. W—D. Oliver 12-11. L—Tewksbury 6-12. HRs—Minnesota, Coomer (11). Texas, D.Cedeno (3), Ju.Gonzalez 2 (37), F. Tatis 2 (6).

Boston 001 000 100—2 9 1
Milwaukee 001 000 000—1 4 0
Wakefield, Mahay (8), Corsi (8), Gordon (9) and Haselman; Karl, Wickman (7), Adamson (9) and Matheny, Levis (8). W—Wakefield 11-15. L—Karl 10-12. Sv—Gordon (7). HR—Boston, Haselman (6).

Toronto 000 100 032—6 6 1
Seattle 010 002 000—3 7 2
Daal, Quantrill (8), Plesac (8), Escobar (8) and B. Santiago; Ra.Johnson, Charlton (7), Timlin (8), Ayala (8) and Da.Wilson. W—Escobar 3-1. L—Ayala 10-5. HRs—Seattle, Buhner (35), Blowers (5).

NATIONAL LEAGUE

Cincinnati 000 000 111—3 7 0
Philadelphia 000 000 000—0 4 1
Burba, Belinda (8), Shaw (9) and J. Oliver; Ml.Grace, Spradlin (9) and Lieberthal. W—Burba, 9-10. L—Ml.Grace, 3-1. Sv—Shaw (36). HR—Cincinnati, W.Greene (24).

San Diego 103 200 000—6 11 0
St. Louis 000 200 100—3 6 4
Cunnane, Erdos (4), H.Murray (6), Bruske (7), Tl.Worrell (9) and Flaherty, Romero (7); S.Lowe, Bautista (3), Raggio (5), Petkovsek (7), Frascatore (9) and Manero. W—Erdos, 2-0. L—S. Lowe, 0-1. HR—San Diego, Joyner (12).

San Francisco 000 000 001—1 3 0
Florida 200 140 10x—8 10 0
Gardner, Johnstone (5), D.Henry (6), C. Bailey (7), Mulholland (8) and B. Johnson, Mirabelli (7); KJ.Brown and C.Johnson. W—KJ.Brown 14-8. L—Gardner 12-9. HRs—San Francisco, Benard (1). Florida, D. White 2 (6), Alou (21).

Montreal 200 020 010 00—5 14 0
New York 000 000 005 02—7 9 1
11 innings
Hermanson, Bennett (9), Urbina (9), Kline (10), Thurman (11) and Fletcher; Isringhausen, Wendell (6), Acevedo (7), Jo.Franco (10) and Pratt, A. Castillo (10). W—Jo.Franco 5-3. L—Kline 0-3. HRs—Montreal, Lansing (20). New York, Everett (13), Gilkey (16).

Chicago 001 120 000—4 9 1
Pittsburgh 010 000 000—1 7 2
Trachsel, Pisciotta (8), Patterson (8), T. Adams (9) and Houston; F.Cordova, Peters (5), Sodowsky (6), Christiansen (7), M.Wilkins (8), Wallace (9) and Kendall. W—Trachsel 7-11. L—F. Cordova 10-8. Sv—T. Adams (14).

Colorado 020 021 220—10 12 1
Atlanta 301 100 001—6 12 2
RBailey, Holmes (6), Leskanic (7), M. Munoz (8), DeJean (8) and Manwaring; Neagle, Cather (7), Clontz (8), Embree (8), C.Fox (9) and J. Lopez. W—Holmes 8-2. L—Cather 0-4. Sv—DeJean (2). HR—Atlanta, Graffanino (7).

Los Angeles 010 000 000—1 5 1
Houston 400 000 10x—5 7 0
Candiotti, D. Reyes (6), Osuna (7), To.Worrell (8) and Piazza; Kile, Magnante (9) and Eusebio, Ausmus (9). W—Kile 18-6. L—Candiotti 10-6. HRs—Los Angeles, Zeile (27). Houston, L. Gonzalez (8).

Japanese Leagues

CENTRAL LEAGUE	W	L	T	Pct	GB
Yakult	71	45	2	.612	—
Yokohama	64	52	0	.552	7
Hiroshima	59	56	0	.513	11½
Hanshin	54	65	1	.454	18½
Yomiuri	54	66	0	.450	19
Chunichi	51	69	1	.425	22

PACIFIC LEAGUE	W	L	T	Pct	GB
Seibu	67	48	3	.583	—
Orix	60	50	3	.545	4½
Kintetsu	58	59	4	.496	10
Daiei	56	61	1	.479	12
Nippon Ham	55	65	1	.458	14½
Lotte	50	63	2	.442	16

SATURDAY'S RESULTS

CENTRAL LEAGUE

Chunichi 3, Hanshin 0
Yakult 5, Yomiuri 0
Yokohama 6, Hiroshima 0

PACIFIC LEAGUE

Orix 9, Seibu 3
Daiei 6, Lotte 0
Nippon Ham 4, Kintetsu 1

SUNDAY'S RESULTS

CENTRAL LEAGUE

Yakult 12, Yomiuri 0
Yokohama 7, Hiroshima 0
Hanshin 4, Chunichi 3

PACIFIC LEAGUE

Seibu 3, Orix 1
Kintetsu 3, Nippon Ham 1
Daiei 3, Lotte 2

FOOTBALL

Major College Scores

Army 41, Lafayette 14
Boston College 31, West Virginia 24
Coast Guard 22, RPI 16, OT
Connecticut 38, Northeastern 26
Fordham 42, Lehigh 35, OT
Georgetown, D.C. 19, Marist 13
Johns Hopkins 34, Washington & Lee 28
Maine 49, Massachusetts 6
Navy 36, Rutgers 7
Penn St. 52, Temple 10
Rhode Island 35, New Hampshire 21
Villanova 35, Delaware 25
Auburn 19, Mississippi 9
Citadel 10, South Florida 7
Clemson 19, N. Carolina St. 17
Florida 51, 50, Maryland 7
Georgia 31, South Carolina 15
LSU 24, Mississippi St. 9
North Carolina 28, Stanford 17
Rice 30, Tulane 24
Southern Meth. 31, Arkansas 9
William & Mary 41, VMI 12
Iowa 54, Tulsa 16
Kansas 15, Missouri 7
Kansas St. 23, Ohio U. 20
Miami, Ohio 49, Akron 20
Michigan 27, Colorado 3
Michigan St. 51, Memphis 27
Minnesota 53, Iowa St. 29
Nebraska 38, Cent. Florida 24
Northwestern 24, Duke 20
Ohio St. 44, Bowling Green 13
Purdue 28, Notre Dame 17
New Mexico 38, Texas-El Paso 20
Oklahoma St. 35, Fresno St. 0
Pittsburgh 35, Houston 24
Texas Tech 59, SW Louisiana 14
UCLA 66, Texas 3
Utah 32, Texas Christian 18
W. Texas A&M 34, SW Oklahoma 7
Air Force 25, UNLV 24
Arizona 24, Ala.-Birmingham 10
Colorado St. 35, Utah St. 24
Idaho 43, Idaho St. 0
Oregon 24, Nevada 20
W. Washington 35, Chapman 0
Washington 36, San Diego St. 3
Washington St. 28, Southern Cal 21
Weber St. 33, S. Utah 32
Wisconsin 56, San Jose St. 10
Wyoming 35, Hawaii 6

Top 25 College Results

How the top 25 teams in The Associated Press' college football

No. 1 Penn State (2-0) beat Temple 52-10. No. 2 Florida (2-0) did not play. No. 3 Washington (2-0) beat San Diego State 36-3. No. 4 Tennessee (2-0) did not play. No. 5 Florida State (2-0) beat Maryland 50-7.

No. 6 Nebraska (2-0) beat Central Florida 38-24. No. 7 North Carolina (2-0) beat No. 17 Stanford 28-17. No. 8 Colorado (1-1) lost to No. 14 Michigan 27-3. No. 9 Ohio State (2-0) beat Bowling Green 44-13. No. 10 LSU (2-0) beat Mississippi State 24-9.

No. 11 Texas (1-1) lost to UCLA 66-3. No. 12 Notre Dame (1-1) lost to Purdue 28-17. No. 13 Miami (1-1) lost to No. 24 Arizona State 23-12. No. 14 Michigan (1-0) beat No. 8 Colorado 27-3. No. 15 Alabama (2-0) beat Vanderbilt 20-0.

No. 16 Auburn (2-0) beat Mississippi 19-9. No. 17 Stanford (1-1) lost to No. 7 North Carolina 28-17. No. 18 Iowa (2-0) beat Tulsa 54-16. No. 19 Clemson (2-0) beat North Carolina State 19-17. No. 20 Kansas State (2-0) beat Ohio U. 23-20.

No. 21 Michigan State (2-0) beat Memphis 51-21. No. 22 Virginia Tech (2-0) beat Syracuse 31-3. No. 23 Southern California (0-2) lost to Washington State 28-21. No. 24 Arizona State (2-0) beat No. 13 Miami 23-12. No. 25 Colorado State (2-1) beat Utah State 35-24.

CFL Standings

EASTERN DIVISION	W	L	T	PF	PA	Pts
Toronto	9	2	0	18	400	201
Montreal	9	3	0	18	328	338
Winnipeg	2	10	0	4	292	396
Hamilton	1	10	0	2	221	346
WESTERN DIVISION						
Edmonton	8	4	0	16	307	286
British Columbia	7	5	0	14	342	321
Calgary	5	6	0	10	300	264
Saskatchewan	5	6	0	10	252	289

Friday's Games

Montreal 29, Winnipeg 28
British Columbia 27, Edmonton 1:

CRICKET

SAHARA CUP

INDIA vs PAKISTAN

SATURDAY, IN TORONTO, CANADA

India: 206 in 50 overs
Pakistan: 186 in 44.2 overs and all out
India won by 20 runs and leads five-match series 1-0.

CYCLING

Tour of Spain

Placings in 175.8 kms. (109-mile) 8th stage from Granada to Cordoba on Saturday:
1. Bart Voskamp, Neth., TVM 3 h. 55 m. 0 s.
2. Mariano Piccoli, Italy, Brescialat at 2 s.
3. Leon van Bon, Neth., Rabobank at 7
4. Mauro Radaelli, Italy, AKI
5. Angelo Canzonieri, Italy, Saeco
6. Fabrizio Guidi, Italy, Scrigno
7. Davide Bramati, Italy, Mapei
8. Neil Stephens, Australia, Lotus at s.t.
9. Oscar Uriarte, Spain, Euskaltel 13
10. Marco Lietti, Italy, Refin 20

Placings in Sunday's 9th stage time trial over 35-km, 21 mile, circuit in Cordoba:
1. Melchor Mauri, Spain, ONCE 41 m. 11 s.
2. Sergei Gonchar, Ukraine, AKI at 21 s.
3. Laurent Jalabert, France, ONCE 22
4. Alex Zuelle, Switzerland, ONCE 38
5. Mikel Zarrabeitia, Spain, ONCE 49
6. Juan Carlos Dominguez, Spain, Kelme 58
7. Gianni Faresin, Italy, Mapei 1:14
8. Claus Moller, Denmark, Estepona 1:16
9. Tony Rominger, Switzerland, Cofidis s.t.
10. Francisque Teyssier, France, GAN 1:17

OVERALL: 1. Zuelle 38 h. 42 m. 10 s.; 2. Laurent Dufaux, Switzerland, Lotus at 32 s.; 3. Fernando Escartin, Spain, Kelme 2:14; 4. Claus Moller, Denmark, Estepona 2:40; 5. Yvon Ledanois, France, GAN 3:15; 6. Daniel Clavero, Spain, Estepona 3:50; 7. Marcos Serrano, Spain, Kelme s.t.; 8. Enrico Zaina, Italy, Asics 3:56; 9. Armand de las Cuevas, France, Banesto 4:27; 10. Igor Galdeano, Spain, Euskaltel 5:33.

GOLF

Lancome Trophy

Leading scores Sunday at $1.1 million Lancome Trophy tournament on par-71, 6,311-meter (6,903-yard) Saint-Nom-La-Breteche course in France:

Mark O'Meara, U.S.	69-67-66-69—271
Jarmo Sandelin, Swe.	70-70-65-67—272
G. Norman, Australia	67-66-68-72—273
P. O'Malley, Australia	65-68-68-72—273
Eduardo Romero, Arg.	68-68-68-72—276
Patrik Sjoland, Swe.	75-66-69-66—276
Sven Struver, Germany	71-65-68-72—276
Paul Lawrie, Scotland	68-71-70-68—277
Lee Westwood, Eng.	68-68-74-67—277
David Gilford, Eng.	69-68-73-67—277

Asia Pacific Ericsson Masters

Final leading results from $800,000 dollar Asia Pacific Ericsson Masters in Bintan, Indonesia:

x- D. Cole, Australia	72-64-68-71—275
J. Milkha Singh, Ind.	66-69-68-72—275
Mike Cunning, U.S.	70-71-70-66—277
Wayne Bradley, S. Afr.	71-69-65-72—277
N Young-Woo, S.Kor	71-69-70-68—278
Arjun Atwal, Ind.	65-70-67-76—278
Ted Purdy, U.S.	74-68-67-70—279
Gavin Coles, Australia	72-69-68-70—279
Craig Kamps, S.Af.	71-67-69-72—279
N. Van Rensburg, S.Af.	68-66-71-74—279
Fran Quinn, U.S.	74-69-71-66—280

x- won on first playoff hole.

Suntory Open

Leading scores Sunday after final round of 100 million yen ($840,000) Suntory Open on 7,027-yard (6,396-meter), par-72 Narashino Country Club course in Inba, Japan:

Hiroyuki Fujita, Jap.	68-68-66-72—274
"Jumbo" Ozaki, Jap.	69-68-70-70—277
Hideyuki Sato, Jap.	73-71-67-69—280
David Ishii, U.S.	66-72-71-71—280
Y. Mizumaki, Jap.	67-72-69-72—280
Carlos Franco, Parag.	70-74-70-67—281
K. Miyamoto, Jap.	69-72-72-68—281
Toru Suginara, Jap.	67-70-73-71—281
Stewart Ginn, Australia	72-69-68-72—281
Eiji Mizoguchi, Jap.	71-68-76-67—282
T. Watanabe, Jap.	68-74-72-68—282
Tetsuo Takasaki, Jap.	66-71-75-70—282
Yasunori Ida, Jap.	69-72-71-70—282
M. Kuwabara, Jap.	68-71-67-76—282

SOCCER

FRENCH FIRST DIVISION

Monaco 2, Marseille 0
Paris St Germain 2, Bastia 0
Nantes 1, Montpellier 1
Bordeaux 2, Le Havre 1
Lyon 2, Strasbourg 1
Metz 2, Cannes 0
Toulouse 2, Auxerre 1

STANDINGS: Metz 19 points; Paris St Germain 18; Bastia 14; Bordeaux 13; Toulouse 12; Guingamp 11; Marseille 11; Monaco 10; Auxerre 9; Lens 9; Lyon 9; Nantes 8; Montpellier 7; Strasbourg 6; Le Havre 5; Rennes 5; Chateauroux 5; Cannes 3.

ITALIAN FIRST DIVISION

AC Milan 1, Lazio 1
Lecce 1, Udinese 2
Brescia 3, Sampdoria 3
Bologna 2, Internazionale 4
Fiorentina 3, Bari 1
Napoli 2, Empoli 1
AC Parma 2, Atalanta 2
Vicenza 3, Piacenza 2

STANDINGS: Internazionale 6 points; Fiorentina 6; Atalanta 4; Parma 4; Lazio 4; Sampdoria 4; Roma 3; Juventus 3; Udinese 3; Vicenza 3; Napoli 3; Milan 2; Brescia 1; Piacenza 1; Empoli 0; Lecce 0; Bologna 0; Bari 0.

DUTCH FIRST DIVISION

NEC Nijmegen 1, Twente Enschede 2
Willem II Tilburg 0, Fortuna Sittard 0
Sparta Rotterdam 5, Volendam 0
Vitesse Arnhem 5, Utrecht 0
MVV Maastricht 1, Roda JC Kerkrade 2
Ajax Amsterdam 4, Groningen 1
Graafschap Doetinchem 0, NAC Breda 1
Feyenoord 1, PSV Eindhoven 1

STANDINGS: Ajax Amsterdam 15 points; Feyenoord 11; Twente Enschede 11; Heerenveen 10; Vitesse Arnhem 10; PSV Eindhoven 9; Roda JC Kerkrade 9; Groningen 7; NAC Breda 7; NEC Nijmegen 6; Sparta Rotterdam 5; Graafschap Doetinchem 5; Volendam 5; RKC Waalwijk 4; Utrecht 4; Fortuna Sittard 2; Willem II Tilburg 1; MVV Maastricht 0.

SPANISH FIRST DIVISION

Barcelona 2 Deportivo Coruna 1
Real Madrid 2 Real Sociedad 0
Athletic Bilbao 1 Atletico Madrid 0
Valladolid 1 Salamanca 2

ENGLISH PREMIER LEAGUE

Blackburn 3, Leeds 4
Arsenal 4, Bolton 1
Barnsley 0, Aston Villa 3
Coventry 1, Southampton 0
Crystal Palace 0, Chelsea 3
Derby 3, Everton 1
Leicester 3, Tottenham 0
Liverpool 2, Sheffield Wednesday 1
Manchester United 2, West Ham 1
Newcastle 1, Wimbledon 3

STANDINGS: Manchester United 16 points; Blackburn 13; Chelsea 12; Arsenal 12; Leicester 11; West Ham 10; Liverpool 8; Coventry 8; Leeds 7; Tottenham 7; Derby 6; Newcastle 6; Aston Villa 6; Crystal Palace 6; Barnsley 6; Wimbledon 5; Bolton 5; Everton 4; Sheffield Wednesday 4; Southampton 3.

GERMAN BUNDESLIGA

Kaiserslautern 4 Stuttgart 3
Arminia Bielefeld 0, Hansa Rostock 1
Hamburg SV 2, FC Cologne 1
VfL Wolfsburg 0, Schalke 0
Borussia Dortmund 2, Karlsruher SC 2
MSV Duisburg 2, Werder Bremen 1
Bayer Leverkusen 2, 1860 Munich 2
Bayern Munich 3, Hertha Berlin 0
B. Moenchengladbach 2, VfL Bochum 1

STANDINGS: FC Kaiserslautern 16 points; Bayern Munich 13; Hansa Rostock 10; Schalke 10; MSV Duisburg 10; Borussia Dortmund 9; Moenchengladbach 9; VfB Stuttgart 8; Hamburger SV 8; Karlsruher SC 8; VfL Wolfsburg 8; Bayer Leverkusen 7; 1860 Munich 7; FC Cologne 7; Arminia Bielefeld 6; Werder Bremen 5; VfL Bochum 4; Hertha Berlin 2.

MAJOR LEAGUE SOCCER

D.C. 2, Tampa Bay 1

STANDINGS: Eastern Conference: x-D.C. 51 points; Tampa Bay 39; Columbus 32; NY-NJ 32; New England 21. Western Conference: x-Kansas City 46; Dallas 39; Colorado 35; Los Angeles 32; San Jose 27.
x-clinched playoff spot

WORLD CUP

ASIA ZONE

SECOND ROUND

GROUP A

China 2, Iran 4

STANDINGS: Iran 3; Kuwait 0; Qatar 0; Saudi Arabia 0; China 0.

RUGBY UNION

EUROPEAN CUP

GROUP A

Milan, Italy 14, Toulouse, France 19
Leinster, Ireland 16, Leicester, England 9

GROUP B

Swansea, Wales 33, Ulster, N. Ireland 16
Glasgow, Scotland 22, Wasps, England, 46

GROUP C

Brive, France 32, Pontypridd, Wales 31
Scottish Borders, Scot. 17, Bath, Eng. 31

GROUP D

Cardiff, Wales 43, Munster, Ireland 23
Harlequins, England 45, Bourgoin, France 7

GROUP E

Pau, France 44, Llanelli, Wales 12
Caledonia, Scotland, 17, Treviso, Italy, 9

EUROPEAN CONFERENCE

GROUP A

Ebbw Vale, Wales 28, Bristol, England 15

GROUP B

Montferrand, France 58, Newport, Wales 32

GROUP C

Stade Francais, Fr. 83, Constantza, Rom. 10
Dax, France 34, London Irish, England 19.

GROUP D

Northampton, Eng. 25, Begles-Bordeaux, Fr. 13

GROUP E

Richmond, England 43, Bridgend, Wales 14

GROUP F

Gloucester, England, 18, Toulon, France 15
Beziers, France 40, Padua, Italy 23

GROUP H

Neath, Wales 10, Narbonne, France 50

TENNIS

MARBELLA OPEN

IN MARBELLA, SPAIN

QUARTERFINALS

Albert Costa, Spain (1), def. Andrea Gaudenzi, Italy, 7-6 (4), 6-3.

Galo Blanco, Spain, def. (8), Francisco Roig, Spain, 7-6 (6), 6-3.

Dominik Hrbaty, Slovakia, def. Karim Alami, Morocco, 6-3, 7-5.

Alberto Berasategui (3), Spain, def. Julian Alonso, 6-1, 6-4.

SEMIFINALS

Costa def. Blanco 7-5, 6-2.
Berasategui def. Hrbaty 6-4, 6-4.

FINAL

Costa def. Berasategui 6-3, 6-2.

PRESIDENT'S CUP

IN TASHKENT, UZBEKISTAN

SEMIFINALS

Tim Henman (2), Britain, def. Francisco Clavet (6), Spain, 6-3, 7-5.

Marc Rosset (3), Switzerland, def. Yevgeny Kafelnikov (1), Russia, 3-6, 7-6 (7-5), 6-2.

FINAL

Henman def. Rosset 7-6 (7-2), 6-4.

SAMSUNG OPEN

BOURNEMOUTH, ENGLAND

SEMIFINALS

Felix Mantilla (2), Spain, def. Marcos Ondruska, South Africa, 6-7 (7-2), 6-1, 6-1.

Carlos Moya (1), Spain, def. Greg Rusedski, (3), Britain, 6-2, 6-2.

FINAL

Mantilla def. Moya 6-2, 6-2.

TRANSITIONS

BASEBALL

AMERICAN LEAGUE

BALTIMORE—Claimed C Charlie Greene off waivers from N.Y. Mets. Transferred RHP Rocky Coppinger from 15-day to 60-day disabled list.

CLEVELAND—Bought contract of RHP David Weathers and INF Sean Casey from Buffalo, AA. Designated RHP Steve Montgomery for assignment. Recalled LHP Brian Anderson, OF Bruce Aven, C Einar Diaz, INF Richie Sexson and INF Enrique Wilson from Buffalo.

MILWAUKEE—Announced an affiliation agreement with Louisville, AA.

TORONTO—Activated RHP Bill Risley from 60-day disabled list.

NATIONAL LEAGUE

FLORIDA—Sent INF Chris Clapinski outright to Charlotte, IL.

ST. LOUIS—Bought contract of RHP Mike Busby from Louisville AA.

BASKETBALL

NATIONAL BASKETBALL ASSOCIATION

CHARLOTTE—Signed G Darnell Mee.

CLEVELAND—Signed C Shawnelle Scott.

MINNESOTA—Agreed to terms with C Paul Grant on 3-year contract.

ORLANDO—Signed C Dan Schayes.

SACRAMENTO—Signed C Stacey King, F Michael Stewart and F Derek Grimm to 1-year contracts.

WASHINGTON—Signed G God Shammgod.

FOOTBALL

NATIONAL FOOTBALL LEAGUE

MINNESOTA—Signed G Orlando Bobo from practice squad. Released S Charles Emanuel.

HOCKEY

NATIONAL HOCKEY LEAGUE

ANAHEIM—Re-signed C J.F. Jomphe and C Richard Park.

BOSTON—Signed C Joel Prpic to 2-year contract.

CHICAGO—Signed C Steve Dubinsky and LW James Black to 1-year contracts and D Michal Sykora to multiyear contract.

FLORIDA—Signed RW Scott Mellanby to 4-year contract and re-signed C Rob Niedermayer to 3-year contract.

MONTREAL—Signed C Vincent Damphousse to 1-year contract.

N.Y. ISLANDERS—Signed D Kenny Jonsson.

N.Y. RANGERS—Signed F Tim Sweeney.

COLLEGE

HOFSTRA—Declared QB Tony Bellamy ineligible for 1997 season.

KANSAS—Announced basketball G Erinn Reed was granted medical hardship and is leaving team for personal reasons.

SOUTHERN TECH—Fired George Perides, men's basketball coach and athletic director.

TEXAS CHRISTIAN—Suspended OT Greg Davis for season for reportedly testing positive for steroids during random NCAA drug test.

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1969 - HUGGETT THINKS IT'S ALL OVER.
Written with R. Simmons. Designed & Illustrated by Dave F. Smith · International Herald Tribune / Professional Sports Partnerships Ltd.

SPORTS



Colin Braley/Reuters

Arizona State's Jason Simmons, left, and Mitchell Freedman mauling a Miami receiver, Magic Benton.

UCLA Makes Texas Recall the Alamo

By Jim Hodges
Los Angeles Times

AUSTIN, Texas — It was a dagger plunged deep into the heart of Texas: UCLA 66, No. 11. Texas 3. Go figure. The Longhorns' coach, John Mackovic, couldn't. "This was a real eye-opener to a lot of things to us," he said after the game Saturday. And how.

Eight Texas turnovers — four fumbles and four interceptions — led to 42 UCLA points in the Longhorns' worst home loss since the Alamo and the Bruins' third most lopsided victory ever.

What started as a conventional game — UCLA stops Texas, drives for a Cade McNown-to-Jim McElroy five-yard touchdown pass, stops the Longhorns, drives for a 44-yard Chris Sailer field goal — got unconventional in a hurry in the second quarter when the Bruins got a McNown-to-Skip Hicks touchdown pass of 43 yards and a McNown-to-Mike Grieb touchdown pass of 1 yard.

The two scores came within 20 seconds of each other, both on one-play drives set up by turnovers. Texas's quarterback, Richard Walton, fumbled when Jayson Brown sacked him and Kenyon Coleman recovered to set up the first. Then Walton threw a pass intercepted by Larry Atkins, who returned it 38 yards to the Texas one to set up the other.

Then the quick, merciful kill became long, drawn-out torture.

In other games, reported by The Associated Press:

No. 1 Penn State 52, Temple 10 Temple (1-2) took a 7-0 lead 43 seconds into the game before the host Nittany Lions (2-0) scored the next 35 points.

No. 3 Washington 38, San Diego State 3 At Seattle, Brock Huard threw for 313 yards and four TDs — two to Jerome Pathon — as the Huskies (2-0) rolled.

No. 5 Florida State 50, Maryland 7 At Tallahassee, Thad Busby was 26-of-34 for 308 yards and two TDs in the first half as the Seminoles (2-0) totaled 559 yards and held the Terrapins (0-2) to 105 yards and nine first downs.

No. 7 North Carolina 28, No. 17 Stanford 17 At Chapel Hill, Oscar Davenport completed his first nine passes and threw two TD passes. The Tar Heels (2-0) held the Cardinals (1-1) to 234 total yards.

No. 10 LSU 24, Mississippi St. 9 LSU played without the injured Marshall Faulk, but his replacements filled in nicely. Rondell Mealy had second-half TD runs of 1 and 3 yards, and Cecil Collins ran for 172 yards as the Tigers (2-0) beat the host Bulldogs (2-1).

No. 14 Michigan 27, No. 8 Colorado 3 At Ann Arbor, Brian Griese passed for 258 yards and two TDs as the Wolverines won easily.

No. 9 Ohio State 44, Bowling Green 13 At Columbus, Michael Wiley returned a kickoff 100 yards and ran 7 yards for another score as the Buckeyes (2-0) won their 17th straight game over an in-state college, dating from 1921.

No. 24 Arizona State 23, No. 13 Miami 12 Mike Martin rushed for 105 yards and a TD, while J.R. Redmond added 103 yards and also caught five passes for 46 yards for Arizona State in Miami.

No. 16 Auburn 19, Mississippi 9 At Auburn, Dameyune Craig hit Tyrone Goodson with a 16-yard TD pass midway through the fourth quarter as the Tigers (2-0) held off the Rebels (2-1).

Rockies Sweep Aside Braves, 4-0

The Associated Press

The Colorado Rockies won for the 15th time in 17 games, completing a three-game sweep of the Atlanta Braves with a 4-0 victory Sunday in Atlanta.

Andres Galarraga's eighth-inning hit broke up a scoreless duel between John Smoltz (14-12) and Pedro Astacio (11-9), who set a Rockies record with 12 strikeouts. Pinch-hitter John VanderWal had a three-run homer in the ninth, his *first home run since last Sept. 16.*

Colorado, 11 games out of first on Aug. 30, began the day six games behind NL West-leading San Francisco. Atlanta started Sunday 5½ games ahead of second-place Florida in the NL East.

Cubs 3, Pirates 2 The Pittsburgh Pirates continued a September slide that may soon drop them out of contention in the NL Central, losing 3-2 Sunday to home side Chicago as Mark Clark remained unbeaten with the Cubs.

While the Cubs won for the eighth time in 11 games, the Pirates have lost five of six and 14 of 19.

Clark (13-7), who had been 0-5 against the Pirates, gave up six hits, struck out eight and walked none in eight innings for his sixth consecutive victory. He is 5-0 in seven starts since being traded by the Mets.

Turner Ward hit a tying pinch-hit homer off Clark in the eighth, but the Cubs scored the go-ahead run in the ninth on pinch-hitter Lance Johnson's sacrifice fly off Rich Loiselle.

In games played Saturday:

Orioles 6, Yankees 1 Mike Mussina pitched a three-hitter for his first victory in five weeks as the Orioles ended their run of lopsided losses to the New York Yankees with a triumph in Baltimore.

Mussina (14-7) took a one-hitter into the ninth inning in Saturday's game and had retired 20 batters in a row before the Yankees got two hits around an error to avert a shutout. He struck out eight and walked one.

White Sox 7, Indians 6 In Chicago, Albert Belle, held hitless last weekend against his former team, drove in two runs. Belle, 0-for-11 in the Indians' three-game sweep at Jacobs Field, hit a sacrifice fly in the first inning, a double in the third and an RBI single in the sixth.

Royals 3, Angels 1 Dean Palmer tripled to open the 13th and scored the go-ahead run on Tony Phillips's error. Gregg Olson (3-2) was the winner and Rich DeLucia (6-4) the loser.

Athletics 4, Tigers 2 In Oakland, Dave Telgheder (3-5) won a start for the first time since May 21, and Ben Grieve hit his first major-league homer.

Red Sox 2, Brewers 1 Tim Wakefield pitched 7⅓ strong innings and Bill Haselman homered as Boston sent host Milwaukee to its fourth straight loss.

Rangers 9, Twins 3 Juan Gonzalez and rookie Fernando Tatis each homered twice as host Texas won its fourth straight.

Gonzalez's two-run shot in the first inning was the 250th of his career. He added a solo homer, his 37th this season, in the sixth and tripled in the fifth.

Blue Jays 6, Mariners 3 In Seattle, Randy Johnson allowed one hit in six innings, but the Mariners' bullpen blew its 24th save.

Johnson left with a 3-1 lead after six innings on home runs by Jay Buhner and Mike Blowers. Seattle's Ken Griffey Jr. went 0-for-4 with three strikeouts. Griffey hasn't had a home run in six games since getting his 50th last Sunday.

Padres 8, Cardinals 3 Tony Gwynn reached 200 hits for the fifth time in his career and Greg Vaughn had a three-run double as San Diego beat St. Louis.

Mark McGwire remained stuck at 50 home runs for the second game, going 1-for-4 with a walk and two strikeouts. The host Cardinals committed four errors, matching their season high.

Reds 3, Phillies 0 In Philadelphia, Dave Burba (9-10) allowed four hits in seven innings, retiring 15 straight batters at one point, and Willie Greene homered.

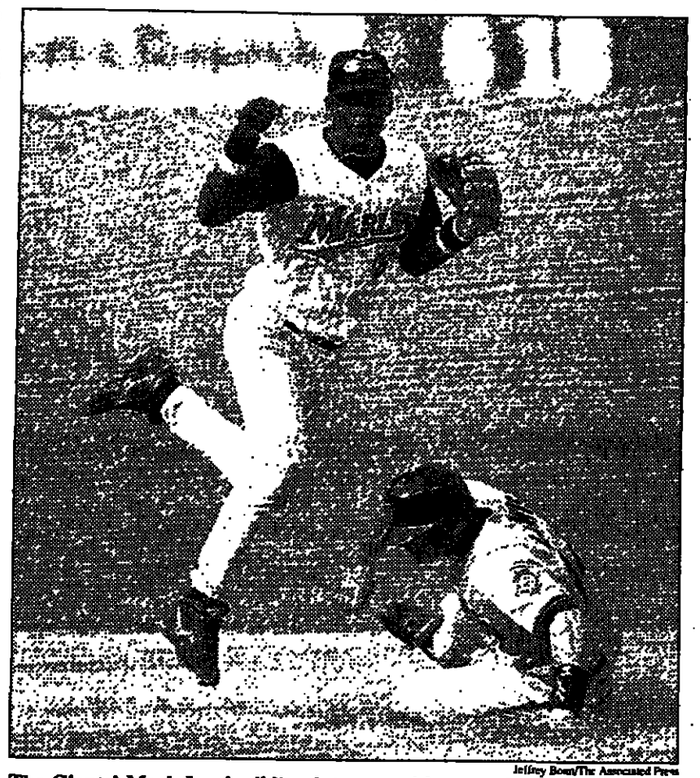
Mets 9, Expos 6 In New York, Carl Everett capped a six-run ninth inning with a game-tying grand slam, and Bernard Gilkey hit a three-run homer in the 11th.

Marlins 8, Giants 1 In Miami, Kevin Brown (14-8) pitched a three-hitter and Devon White hit two home runs for Florida. Moises Alou hit a three-run homer for the Marlins, his 21st.

Astros 5, Dodgers 1 Houston took advantage of Tom Candiotti's record-tying four hit batters, and Darryl Kile struck out a career-high 13, sending visiting Los Angeles to its fifth straight loss.

Cubs 4, Pirates 1 Pittsburgh stumbled again as the Cubs' Steve Trachsel (7-11) won on the road for the first time since last Sept. 23. The Pirates have lost four of five and 13 of 18.

Rockies 10, Braves 6 In Atlanta, the Rockies won for the *14th time in 16* games and moved to within six games of the NL West lead, rallying from a 5-2 deficit. The Rockies trailed by 11 games as recently as Aug. 30.



Jeffrey Boan/The Associated Press

The Giants' Mark Lewis sliding into second base as the Marlins' Edgar Renteria completes a double play in the sixth inning. The Marlins won 8-1.

A Sale That Can't Fail? Ali Mementos

New York Times Service

A woman named Nancy, the mother of two young boys, had asked me to get an autograph from Muhammad Ali for her sons. This was 1971, and I was off to Chicago to spend a day with the once and future heavyweight champ in training for a bout against Jimmy Ellis. I told her I was sorry but that I couldn't ask someone I was interviewing for an autograph because it wouldn't be professional.

"Oh, one little autograph," she said. "The kids are crazy about Ali."

"Well," I said, "if the moment arises."

And so at day's end I asked Ali if he'd sign an autograph for two boys. He said sure: I handed him pad and pen. He asked their names. I happened to add that their mother had trouble getting them to clean their room. Ali wrote: "To Timmy and Rickie. From Muhammad Ali. Clean that room, or I will seal your doom."

I spoke to Nancy again recently and asked what had happened to the autograph and that potent piece of poetry from the big, beefy hand of The Greatest himself.

"I'm sure it's around the house someplace," she said. "I'm pretty sure the boys didn't take it when they moved."

"Find it," I urged. "It could put you in ermines and pearls."

In fact, Ali memorabilia is worth something, so it seems. An auction of more than 3,000 pieces of Ali memorabilia will be held on Oct. 19 at Christie's in Beverly Hills. Highlights in the collection include the white terry-cloth robe, featuring the words "The Lip" and "The Greatest," that Ali wore into the ring for his first title fight against Sonny Liston in 1964 (worth an estimated $40,000 to $60,000). A scorecard from that fight — Liston didn't answer the bell for the eighth round — is expected to command as much as $80,000.

If you'd like to own a mouthpiece worn by Ali, it could run you in the neighborhood of $800 to $1,200. His old water bottle might set you back $1,500.

The three-time world heavyweight champion, who last laced on the gloves 16 years ago (he lost a 10-round decision to Trevor Berbick on

Vantage Point/IRA BERKOW

Dec. 11, 1981, in the Bahamas) and is now afflicted with Parkinson's disease, is still one of the most recognizable names and faces on the planet, and, as years go on, one of the most beloved and sympathetic.

The auction has Ali's approval, and a portion of the proceeds will benefit the Muhammad Ali Healing Project, whose stated goals are "to promote tolerance and understanding among all people."

When I saw Ali in 1971, he was in the second year of his return to the ring after having been banned from boxing for three and a half years and then exonerated in a unanimous decision by the Supreme Court.

"It's hard to train now," Ali said at the time. "I got bigger things on my mind, bigger than bearing up somebody. Fighting's not the thing anymore for me."

But he fought for 10 more years, and in such memorable battles as the so-called Rumble in the Jungle in Zaire in 1974, when he upset George Foreman, to the Thrilla in Manila the following year when he retained the world heavyweight title by stopping Joe Frazier in the 14th round.

The estimated price for the white shoes he wore during the Foreman fight? $20,000 to $30,000.

One thing not found in the collection will be a note Ali sent me a few years ago. He signed it and, as he sometimes does, drew a heart with lines shooting out from around it like the rays of the sun. I wish the Ali memorabilia auction luck, but I'm hanging on to that note for awhile.

LONG RANGE AIR RACE
September 10th - September 21st 1997
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WORLD GAMES
The results of the first leg - Reykjavik to Strasbourg - show that the crews are taking the race seriously and intend to fight for the best position possible.
Strasbourg, France, September 12
In Group One (piston engines) Mathias Stinness and Gérard Guillaumaud took the lead in "Little Speedy," a Glasair II, only eight minutes ahead of Dietrich Bauer and Jurgen Blasius, flying "Rectino," a Beechcraft Bonanza, while Merce Marti and David Flitterman came in third, 36 minutes behind, in the "Spirit of Freixenet," a Piper Commanche. Overall, the performances of Group One competitors were very good, as their piston engines allowed them to fly low, avoiding the strong headwinds faced by high-flying turbocharged aircraft.
Group Two (turbocharged) standings are provisional until the arrival of "Carolina Belle" tonight. The "Canuk" had to stop in Teeside, Britain to have its engine fixed, and its arrival is up in the air. Over the phone, Karole Jensen and Jeanne Cook of the "Carolina Belle" were in good spirits, and everyone hopes that Jean Delangis and Peter Bedell's "Canuk" will be reunited with the other race participants before the next leg - Strasbourg to Seville - on Saturday.
In Group Three, (turbines) there is a fierce battle between the U.S. "Dash Ten" crew, which came in first with a 93 percent ratio on a four-hour, 45 minute flight, with French-American "TBM Knight Flight" only 20 minutes behind, and "Maya One" from Guatemala only six minutes back. The next leg should be an interesting one: its shorter length will allow pilots to fly at maximum power without much worry about fuel burn.
Group Four (jets) has only two competitors, the American Jim Knuppe's "Dream Machine" and Turkey's "Young Turks." As both are flying Cessna Citations, the skill of the pilots will be a crucial factor. "Dream Machine" is leading, but only by nine minutes.
Details on the results and technical explanations are available on the race's Web site.
Herald Tribune
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THIS WEEK ON EUROSPORT
The European football season bursts into life with the first round of both the UEFA Cup and the Cup Winners' Cup: can Leicester City make amends for their defeat by Athletico Madrid 36 years ago?
Football:
16 September, LIVE, UEFA Cup, Athletico Madrid v Leicester City
After full live coverage of the main game we present extended highlights of Celtic v Liverpool and Jurgen Klinsman's European debut for Sampdoria against Athletic Bilbao of Spain
Football:
18 September, LIVE, Cup Winners' Cup, First round
Ekeren v Red Star Belgrade and Real Betis v Budapest Vasutac, full live coverage of both games
Cycling:
15 - 21 September, LIVE, The Tour of Spain
The Tour starts the week in Cordoba and reaches Lagos de Covadonga with a climb considered to be the Spanish equivalent of the "Alpe-d'Huez"
Aeronautics:
15 - 20 September, LIVE, The World Air Games, Turkey
The first event of its kind features 9 events as diverse as


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covering the best action from Europe and around the world.

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Herald Tribune
SPORTS

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WORLD ROUNDUP

Costa Is Victorious At Marbella Open

TENNIS Top-seeded Albert Costa defeated second-seeded Alberto Berasategui, 6-3, 6-2, in an all-Spanish final of the $328,000 Marbella Open on Sunday.

Costa, ranked ATP world No. 15, was the aggressor through nearly all of the 53-minute match on the clay courts of the Manuel Santana tennis club in the southern resort city of Marbella.

After the victory, Costa said he had had "a lot of luck" defeating Berasategui, who is ranked world No. 26.

• Felix Mantilla of Spain disposed of his countryman, Carlos Moya, for an easy 6-2, 6-2 victory on Sunday in the final of the Samsung clay-court tournament at Bournemouth, England.

It was Mantilla's fifth tournament victory this season and his fifth on clay. It also improved his career record on clay against Moya — ranked No. 5 by the ATP Tour — to three triumphs in seven matches. Mantilla is ranked No. 11 worldwide.

• In Tashkent, Uzbekistan, Tim Henman outdueled Marc Rosset of Switzerland to win the President's Cup tournament on Sunday, the second ATP victory for the up-and-coming British player. Henman, the No. 2 seed, defeated Rosset, the No. 3 seed, 7-6 (7-2), 6-4.

The Swiss player started strong, breaking Henman's serve in the first game, but then lost his serve in the fourth game, double faulting three times. Henman, who was ranked 20th on the ATP tour before the tournament, said after Sunday's match that he felt good all week and was playing "very pure" tennis.

• Still recovering from a knee injury, Steffi Graf will skip the season-ending Chase Championships in New York and concentrate on making her comeback at next year's Australian Open.

"That's unrealistic," Graf said in a German television interview Sunday when asked about the Nov. 17-23 tournament, where she is defending champion. "This time it's a very long break. I see the Australian Open in January as a real goal." *(AP)*

Doohan Captures Prix

MOTORCYCLE RACING Michael Doohan broke Giacomo Agostini's 25-year-old record of 11 victories in a season when he held off the challenge of two local riders, Carlos Checa and Alex Criville, to win the Catalunya Grand Prix on Sunday in Montmelo, Spain.

The Australian, already the 500cc world champion for a fourth time, roared to his 12th victory of his remarkable season — his 10th in a row — but was pushed all the way by the Spaniards.

Checa, who swapped the lead with Doohan for much of the race, finished second nearly half a second behind, with Criville third. *(AP)*

Ozaki Comes Up Short

GOLF Capturing his first professional title, Hiroyuki Fujita won the $840,000 Suntory Open golf tournament Sunday by three strokes.

Shooting an even-par 72, Fujita finished with a 14-under-par 274 and overcame a charge by Japan's veteran pro, Masashi Ozaki.

The 28-year-old Fujita started Sunday's final round with a four-stroke lead. He shot two birdies and two bogeys on the 7,027-yard, par-72 Narashino Country Club course in Inba near Tokyo. Ozaki, Japan's winningest golfer with 105 victories, shot a 70 for a 277 total and placed second. *(AP)*

O'Meara Hangs On To Win Lancome by 1

Victory Lifts U.S. Ryder Cup Hopes

Reuters

ST. NOM LA BRETECHE, France — Mark O'Meara of the United States saved par spectacularly on the last two holes to win the Lancome Trophy on Sunday and bolster the Ryder Cup hopes of his teammates two weeks before the clash with the Europeans.

A closing two-under-par 69 for a 13-under total of 271 earned O'Meara a one-stroke victory over Jarmo Sandelin of Sweden. Greg Norman of Australia and his compatriot, Peter O'Malley, shared third place a further shot back, each shooting 72 in the final round.

The expected shootout for the title between O'Meara and the two Australians who led him by a shot after three rounds never really materialized and Sandelin unexpectedly provided the greatest threat when he posted a 67 to come in at 272, 12 under par.

But O'Meara holed out from just off the green, 20 feet away from the pin, after driving into trees at the 17th. At the short 18th, he missed the green but pitched over a bunker to within a few inches of the pin to stay a shot ahead of the Swede.

O'Meara overtook his Australian playing partners with a run of three birdies beginning with the second hole, but he then lost ground with a double-bogey and a bogey before getting back in front with back-to-back birdies before the turn.

After dropping a shot on the 15th, O'Meara went ahead for the last time with a birdie at the long 16th from 10 feet.

"With the Ryder Cup just round the corner this is obviously a nice confidence booster for me," said the 40-year-old O'Meara, whose nearest European Ryder Cup challenger was Lee Westwood of England, six shots behind. "My captain, Tom Kite, will know I've won and my teammates will know and I guess this will increase their confidence. But they were already pretty confident already."

He added: "The two saves at the end made it all possible of course. When your game is not quite 100 percent you feel the pressure on your technique. But my putting made up for it."

Europe's Ryder Cup captain, Seve Ballesteros, who shrugged off O'Meara's victory by saying it held "no significance" for the Ryder Cup, closed with a 73 for 285 after leading on Thursday.

He said he would now be going home for a rest to plan his Valderrama strategy.

Norman had birdie chances on the last two holes to match O'Meara's total, but failed with both. He held on to his top world ranking but was disappointed to miss out again in Europe after twice taking second places this season by losing playoffs.

"I really just didn't play well — nothing was in synch and it was all a struggle," Norman said.

Colin Montgomerie of Scotland, seeking a fifth successive European Order of Merit title, remained at the top of the European rankings after carding a 69 for 281, with Bernhard Langer of Germany moving up to second after a 75 for 279.

Langer could have passed Montgomerie for the top spot but spoiled his chance with a double bogey on the fourth and a quadruple bogey on the ninth when he twice went into the water.

Montgomerie, who had confided to a playing partner the day before he was thinking of playing full time on the U.S. Tour next year, dismissed that suggestion Sunday.

Separately, the European Tour's executive director, Ken Schofield, said no settlement had yet been reached on the subject of Miguel Martin's replacement on Europe's Ryder Cup team by the Cup committee. Schofield said talks were continuing and that the issue was also expected to be discussed by the players' tournament committee on Wednesday.



Charles Platiau/Reuters

Mark O'Meara chipping out of a bunker on his way to winning the Lancome Trophy in France on Sunday.

Zuelle Is Leader of Pack

Yellow Jersey Swaps Again in Tour of Spain

Reuters

CORDOBA, Spain — Alex Zuelle did not expect to wear the leader's colors when the Tour of Spain opened in Lisbon nine days ago because he was under-prepared.

Yet that is the position he holds after deposing a fellow Swiss, Laurent Dufaux, after a 35-kilometer time trial on Sunday. "When the tour began I could not imagine that I could get the yellow jersey with so little preparation," said Zuelle, who started the 22-day event under-raced and off form.

Two weeks after a crash in the Tour of Switzerland, he started the Tour de France in July with 12 pins in a collarbone fracture. After four days he quit to avoid aggravating it.

Since then Zuelle has had only five days of racing and although only fourth fastest in Sunday's time trial, 38 seconds behind Spanish winner Melchor Mauri, it was enough to give him the race lead by 32 seconds from Dufaux.

"I did not ride so badly," Zuelle said. "But this was not my best. It is to be expected because I am not yet 100 percent, but I am very satisfied.

"The wind and rain affected the race. I did not take any risks on the corners even when the road was dry."

Mauri, Zuelle's teammate, clocked at 41 minutes and 11 seconds, beat Sergei Gontchar of Ukraine by 21 seconds. The winner of the 1995 Vuelta, Laurent Jalabert of France, was third, a further second slower.

Mauri, Spain's last tour winner six years ago, said: "I was fortunate because the wind was not so strong when I rode as it was for other contenders."

Dufaux was 1:24 off Mauri's pace but content. "I lost only 46 seconds on Zuelle in the time trial. That's stupendous for me. I surprised myself but wearing the yellow jersey gave me a lot of motivation."

Fernando Escartin of Spain lost his overnight second overall position after a crash on the rain-slicked circuit.

He had to change bikes, but before his spill was fighting a losing battle against the time-trial specialists. Escartin is now third overall, 2:14 behind Zuelle, with two weeks to go before the Madrid finale.



Sergio Perez/Reuters

Laurent Dufaux of Switzerland on Sunday during the individual time trials of the Tour of Spain.

Bucs Beat Vikings to Stay Perfect

The Associated Press

MINNEAPOLIS — Horace Copeland caught his first touchdown pass since 1995 and set up another score with a 49-yard grab as Tampa Bay remained perfect with a 28-14 victory Sunday over the Minnesota Vikings.

A rookie, Warrick Dunn, scored on a 52-yard run in the fourth quarter, helping the Bucs (3-0) to their best start since the 1979 team won its first five games on the way to the NFC championship game.

Dunn, who had 130 yards and a TD in last week's win at Detroit, finished with 101 yards on 16 carries.

Trent Dilfer was 15-for-20 for 192 yards and two TDs for the Bucs. He now has four TD passes — matching his entire 1995 total — and no interceptions.

Jake Reed had six catches for 131 yards for the Vikings (2-1), who came in with the NFC's top-rated offense. But until Brad Johnson's 30-yard TD pass to Cris Carter with 38 seconds left, they managed only two short field goals by Greg Davis against Tampa's tough, young defense, losing a home opener for the first time since 1986. Johnson was 29-for-44 for a career-best 334 yards.

The Bucs now are 8-2 since starting 1-8 last season, Tony Dungy's first as their coach following four seasons as Minnesota's defensive coordinator.

Tampa Bay's perfect start is surprising enough considering that the team has lost at least 10 games in 13 of the last 14 seasons. But the Bucs also have taken over first place in the Central Division in impressive fashion, upsetting San Francisco to start the season and then winning at Detroit and Minnesota after going 1-7 on the road last season.

Packers 23, Dolphins 18 The Green Bay Packers lost another Super Bowl starter and nearly another game, too.

Gilbert Brown, the champions' 350-pound run stuffer, sprained his right knee in the first quarter and the Packers, playing without five starters from last year, struggled to a 23-18 victory over the Miami Dolphins.

Brett Favre threw two touchdown passes, including one to wide-open fullback William Henderson from 10 yards with 5:33 left as Green Bay (2-1) bounced back from a loss at Philadelphia.

Ryan Longwell, who missed a chip shot in the final seconds that would have beaten the Eagles, hit all three of his field goals to counter four from Miami's Olindo Mare.

The Dolphins' quarterback Dan Marino' hit former Packers receiver Charles Jordan with a 29-yard TD pass with 1:47 left to pull Miami to 23-18. That prevented Marino from going three games without a touchdown pass for the first time in his 15-year career. Jordan had four catches for a career-best 100 yards.

His 2-point conversion pass failed, however, and Miami's hopes of an upset died when the onside kick was recovered by Green Bay's Terry Mickens and Dorsey Levens gained 31 yards on three runs. Levens finished with a career-high 121 yards on 21 carries.

Lions 32, Bears 7 Running like an All-Pro again, Barry Sanders helped drop the winless Chicago Bears to their lowest point in three decades. Sanders, held to 53 yards in the season's first two games, rushed for 161 Sunday as visiting Detroit rolled to a 32-7 victory.

NFL ROUNDUP

While the Lions (2-1) excelled, Chicago (0-3, all against NFC Central rivals) looked awful after two decent but not-quite-good-enough efforts. The last time the Bears opened with three losses was 1969, when they went 1-13 in the franchise's worst season.

Rick Mirer, acquired in an unpopular offseason trade with Seattle, made his Chicago debut after coach Dave Wannstedt benched starting quarterback Erik Kramer in third quarter. Mirer's first possession ended with a fumble, and he finished 10 of 21 for 90 yards.

Scott Mitchell, meanwhile, responded to criticism from the Lions' coach, Bobby Ross, going 16 of 25 for 215 yards and two touchdowns.

The game, however, belonged to Sanders. He was at his juking, darting best and showed why he has 11,939 yards, sixth on the NFL's career list.

After averaging only 2.1 yards on 25 carries in the first two weeks — with Ross blaming himself for not giving his star the ball more — Sanders averaged 8.5 yards on Sunday's 19 attempts.

Sanders went 14 and 11 yards on the Lions' first two plays, setting up the first of four field goals by Jason Hanson. His 18-yard run preceded Mitchell's 16-yard touchdown pass to Johnnie Morton as Detroit went up 10-7 in the second quarter.

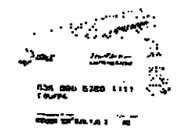


Vincent Laforet/Agence France-Presse

The Packers' Dorsey Levens being brought down by the Dolphins' Zach Thomas (bottom) as Derrick Rodgers closes in. Green Bay won, 23-18.



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